TRANSCRIPT OF RECORD.

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1906.

No. 67.

ALFRED H. BURT AND JOSEPH J. SINDELE, PLAINTIFFS IN ERROR,

vs.

WILLIAM W. SMITH.

IN ERROR TO THE COURT OF APPEALS OF THE STATE OF NEW YORK.

FILED JULY 3, 1905.

(19,824.)

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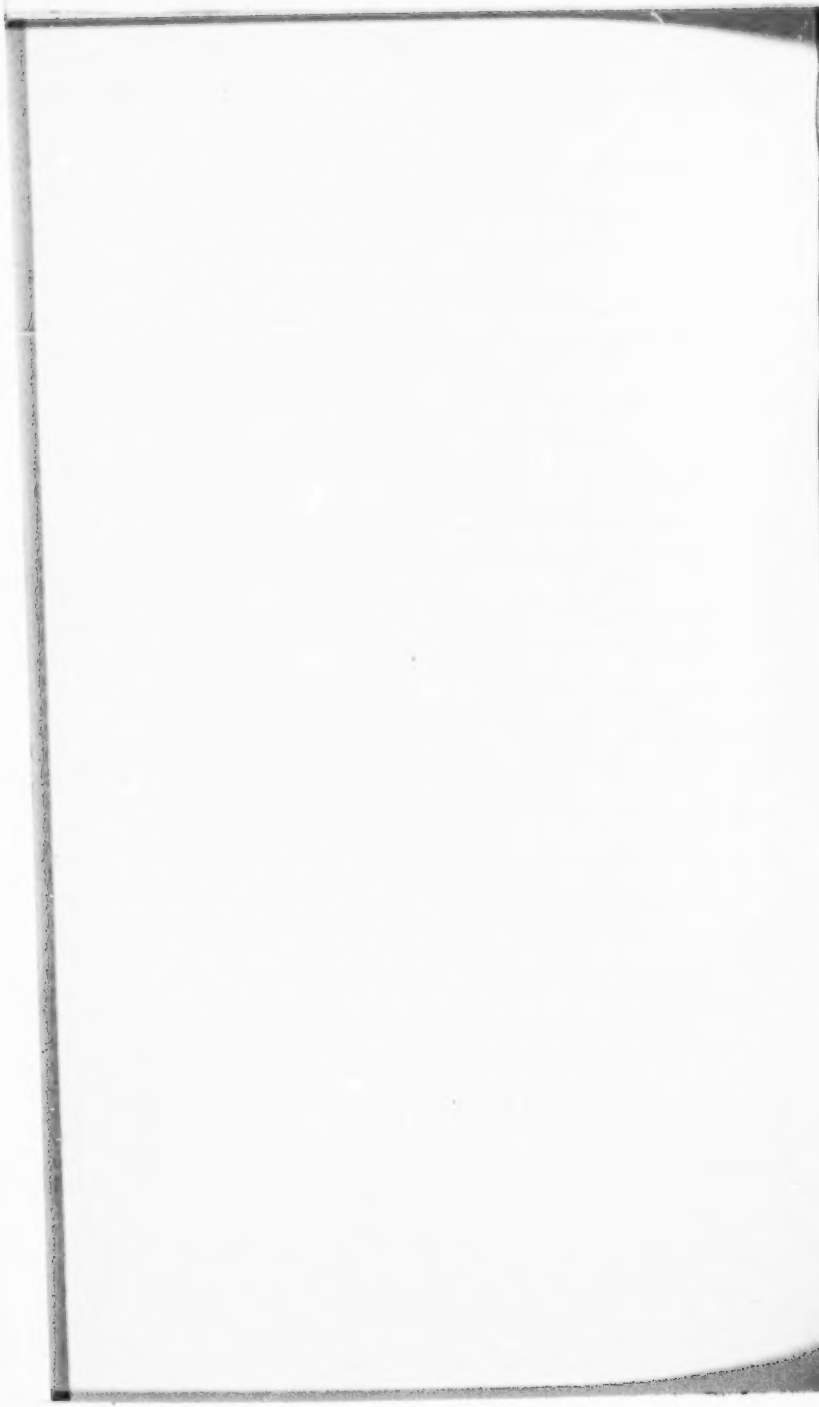


a Court of Appeals, State of New York, from Fourth Department.

ALFRED H. BURT and JOSEPH J. SINDELE, Plaintiffs and Respondents,
vs.
WILLIAM W. SMITH, Defendant and Appellant.

Record.

Morey & Bosley, Attorneys for Plaintiffs and Respondents, 807 D. S. Morgan Building, Buffalo, N. Y.
Milton A. Fowler, Attorney for Defendant and Appellant, 255 Main Street, Poughkeepsie, N. Y.

b *Statement Required by Rule* 41.

This action was commenced by the service of the summons on January 20, 1898.
Amended complaint served October 21, 1898.
Answer to amended complaint served November 30, 1898.
The names of the original parties in full are given in the title. There has been no change in the parties.
Messrs. Morey & Bosley have been substituted as attorneys for the plaintiffs in place of Norris Morey.
Milton A. Fowler, Esq., has been appointed attorney for the defendant in place of J. S. Van Cleef, deceased.

1 Supreme Court, Erie County.

ALFRED H. BURT and JOSEPH J. SINDELE, Plaintiffs,
vs.
WILLIAM W. SMITH, Defendant.

Amended Complaint.

The plaintiffs, for their cause of action against the defendant above named, aver as follows, to wit:
That the plaintiffs were at all the times hereinafter referred to, and still are, co-partners carrying on business under the firm name of "Burt & Sindele," at the City of Buffalo, Erie County, N. Y., and were, and are residents of said city, and citizens of the State of New York; and that the defendant at all the times hereinafter mentioned was, and still is a resident and citizen of the State of New York.
That plaintiffs under their said firm name began the manufacture and sale of cough drops about September, 1891; that up to the time of the beginning of the action, and the serving upon them of the injunction procured by the defendant herein, as hereinafter set forth, said business of plaintiffs had largely increased from year to year

and been profitable, and that in the year previous to the beginning of said action, and the making and service of said injunction, they had done a much larger business than in any previous year; that the plaintiffs used as a designation and trade-mark for the cough drops, and the packages thereof manufactured and offered for sale, and sold by them, the initial letters of their firm name with an ampersand between them, to wit; "B. & S.," and had caused said trade-
mark to be stamped upon both sides of every cough drop;
2 that upon the front of the packages in which nearly all their cough drops were put up and offered for sale, and were sold, there was printed in large type in the most conspicuous place upon a circular black disk the letters and character "B. & S." in white, with the words "cough" on one side and "drops" on the other side thereof, and underneath said words and trade-mark there was printed in large type the words "manufactured only by Burt & Sindele, Buffalo, New York, U. S. A.," and directly underneath in smaller type, the words: "Note the only genuine have the letters 'B. & S.' stamped on both sides of drop;" that these plaintiffs had expended considerable sums of money, to wit, about seven thousand dollars ($7,000) in advertising and introducing said cough drops with their said trade-mark "B. & S.," and in all the advertising matter advertising said cough drops issued or published by plaintiffs or circulated by them, or which had been printed and was on hand to be circulated for advertising purposes when said action was begun and injunction was obtained, the said letters and character, to wit: "B. & S." had been printed and advertised conspicuously as aforesaid as the trade-mark of plaintiffs' said cough drops, and that by means of such extensive advertising, and by the sale and use of said cough drops, the cough drops so manufactured and sold by them had become widely and favorably known to the trade, and to consumers, and to the public generally by said mark "B. & S.," and that no other trade-mark had ever been used or adopted by these plaintiffs to designate said cough drops, and the use of the same had been and was of great value to these plaintiffs in their business of manufacturing and selling cough drops, and was peculiar to them, and that the
3 facts aforesaid were well known to the defendant.

The plaintiffs further allege, that on or about the 23rd day of January, 1895, the defendant maliciously intending to injure the plaintiffs, and without probable cause, caused to be made and verified and filed, a complaint containing statements which were false and unfounded, and known to the defendant to be false and unfounded, among them, that the use by the plaintiffs of the letters "B. & S." stamped upon the cough drops manufactured and sold by them, and upon the packages containing the same, was an infringement of the rights of this defendant, and had caused him great and irreparable pecuniary loss and injury to the amount of more than two thousand dollars ($2,000), and that the cough drops made and sold by these plaintiffs were of inferior quality, and that the public had been deceived and induced to believe that the inferior and unwholesome product of the plaintiffs was that of the defendant, and that the reputation of the defendant had been, and was being thereby

greatly damaged; and upon the filing of said complaint the defendant, maliciously intending to injure the plaintiffs, and without probable cause, procured to be issued and served upon these plaintiffs a subpœna, and thereby began an action against the plaintiffs in the United States Circuit Court for the Northern District of New York, seeking a permanent injunction to restrain these plaintiffs from the use of their said trade-mark, and to recover a large sum of money as damages from these plaintiffs upon the false and unfounded and malicious claim and pretense that the use by these plaintiffs upon their cough drops, and upon the packages containing the same, and upon their advertising and printed matter, was an infringe-
4 ment of some trade-mark or trade-mark right of the defendant; that upon such verified complaint, and upon affidavits, this defendant maliciously and without probable cause, procured an order to be made in said action, and a writ of injunction to be issued therein out of said court, and to be served upon these plaintiffs, whereby these plaintiffs, their agents, servants and employees were restrained and enjoined from stamping the letters "B. & S." upon cough drops sold by them, or upon the boxes in which said cough drops are sold, and from, directly or indirectly making, using or vending to others to be used, any cough drops, or boxes for the same, stamped with the letters "B. & S.;" and in and by his bill of complaint in said action this defendant asked that an injunction to that effect be granted during the pendency of the action, and that a judgment be granted therein enjoining these plaintiffs perpetually as aforesaid, and also that the alleged damages of this defendant be assessed, and judgment rendered therefor, such damages prior to the beginning of said action being therein alleged to amount to more than two thousand dollars ($2,000) exclusive of interest and costs.

That thereafter and about December, 1895, said order and injunction were vacated and set aside by the United States Circuit Court of Appeals for the Second Circuit, upon an appeal taken by these plaintiffs from said order to said Circuit Court of Appeals; and that thereafter the issues in said action were duly noticed for trial by these plaintiffs, and brought to a hearing at a term of the United States Circuit Court in and for the Northern District of New York, held at the City of Albany, N. Y., on the 21st day of January, 1896, and the complaint therein was dismissed, and judgment upon
5 the merits in favor of these plaintiffs was duly rendered.

That soon after taking said appeal these plaintiffs requested the defendant to stipulate a suspension of said order of injunction during the pendency of said appeal, so that they might be enabled to prepare for and obtain the benefit of the next season's business, which the defendant declined to do; that by reason of said action, and said injunction, and the suspension of plaintiffs' said business of manufacturing and selling cough drops caused thereby, it became necessary to expend large sums in advertising after said injunction had been vacated, and action defeated, in order to regain any considerable part of the trade which the plaintiffs had before said action and injunction; and the plaintiffs were thereby deprived of the business and customers which they had theretofore had and

enjoyed in the sale of their cough drops, and the same were taken by others competing with them, and by said injunction they were prevented from advertising or soliciting, or making efforts to maintain and increase their said business, or to supply their customers with the "B. & S." cough drops; that by reason of said action, and said injunction so begun and obtained maliciously, and without probable cause by this defendant, these plaintiffs were also deprived of the advantages and profits of the business of manufacturing and selling cough drops, and of advertising and increasing their said business under their said trademark for an entire season, and were thereby deprived in large part of the benefit of the expenditures they had theretofore made in advertising and establishing said trade-mark and said business; and the plaintiffs' business of manufacturing
6 cough drops, and the good will thereof, was greatly injured and damaged by reason of said injunction, and said action, and by the circulation of reports thereof through the newspaper press caused and procured by the acts of the *plaintiff;* and by reason of the premises the plaintiffs suffered large damages, to wit: in the sum of twenty-four thousand dollars; and that these plaintiffs were compelled to expend large sums of money in defending themselves against said action and said injunction order so obtained by him, and in prosecuting said appeal, and obtaining a reversal of said order and injunction, and in obtaining a judgment dismissing said action upon the merits, to wit: in the sum of twelve hundred, eighty-nine and 55-100 dollars.

Wherefore, plaintiffs demand judgment against the defendant for the sum of twenty-five thousand, two hundred, eighty-nine and 55-100 dollars ($25,289.55), together with their costs and disbursements in this action.

NORRIS MOREY,
Plaintiffs' Attorney
807 *D. S. Morgan Building, Buffalo, N. Y.*

STATE OF NEW YORK,
County of Erie, City of Buffalo, ss:

Alfred H. Burt, being duly sworn, deposes and says: That he is one of the plaintiffs above named; that he has read the foregoing amended complaint and knows the contents thereof; that the same is true to the knowledge of deponent, except as to the matters therein stated to be alleged on information and belief, and that as to those matters he believes it to be true; that he makes this verifica-
7 tion for his co-plaintiff as well as for himself.

ALFRED H. BURT.

Sworn to before me this 21st day of October, 1899.

EDWARD R. BOSLEY,
Notary Public.

Supreme Court, Erie County.

ALFRED H. BURT and JOSEPH J. SINDELE, Plaintiffs,
against
WILLIAM W. SMITH, Defendant.

Answer.

The defendant for his answer to the Amended Complaint of the plaintiffs herein,

First—Admits that the plaintiffs were at all times hereinafter referred to, and still are, co-partners carrying on business under the firm name of "Burt & Sindele," at the City of Buffalo, Erie County, N. Y., and were, and are residents of said city, and citizens of the State of New York; and that the defendant at all the times hereinafter mentioned was, and still is a resident and citizen of the State of New York.

He admits that prior to and at the time of the beginning of the action brought by this defendant against the plaintiffs herein as hereinafter set forth and referred to in said Amended Complaint, the plaintiffs were engaged in the manufacture and sale of cough drops and that they used as a designation and trade-mark for the
8 same and the packages thereof manufactured and offered for sale and sold by them, the initial letters of their firm name with an ampersand between them to wit: "B. & S." and had caused said trade-mark to be stamped upon both sides of every cough drop; that upon the front of the packages in which nearly all their cough drops were put up and offered for sale, and were sold, there were printed in large type in the most conspicuous place upon a circular black disk the letters and character "B. & S." in white, with the words "Cough" on one side and "Drops" on the other side thereof, and that underneath said words and trade-mark there was printed in large type the words "Manufactured only by Burt & Sindele, Buffalo, New York, U. S. A.," and directly underneath in smaller type the words: "Note the only genuine have the letters 'B. & S.' stamped on both sides of drop;" but he alleges that he has no knowledge or information sufficient to form a belief as to whether said plaintiffs commenced the manufacture of said cough drops in the year 1891, or thereafter, or as to whether they have expended the sum of $7,000, or any other sum in advertising and introducing said cough drops.

He admits that on or about the 23rd day of January, 1895, he caused to be verified and filed a complaint in an action thereupon commenced by him as complainant against the plaintiffs herein as defendants in said action in the U. S. Circuit Court for the Northern District of New York, in which he demanded a permanent injunction restraining the plaintiffs herein from the further use of their said alleged trade-mark on the ground that the same was an infringement upon the trade-mark owned by the defendant in this action and also demanded damages which he therein claimed
9 amounted to more than $2,000 besides interest and costs; but denies that said complaint contained statements which were

false and unfounded or that were known to this defendant to be false and unfounded or that this defendant caused said complaint to be made, verified and filed, and said action to be commenced with the malicious intent on his part to injure the plaintiffs and without probable cause, and he further denies that he maliciously and without probable cause procured an order to be made by him in said action and a writ of injunction issued thereon and a copy of the same to be served upon the plaintiffs herein as alleged in said Amended Complaint, but alleges that no injunction was issued by said Court in said action until a hearing and determination was had therein upon the merits thereof, and this defendant specifically denies that he ever began an action against these plaintiffs in said Circuit Court or elsewhere seeking a permanent injunction to restrain these plaintiffs from the use of their alleged trade mark and to recover any sum of money as damages from them upon any false, unfounded and malicious claim or pretence whatever.

He further admits that thereafter and in or about December, 1895, said Order and Injunction were vacated and set aside by the United States Court of Appeals for the Second Circuit upon an appeal taken by these plaintiffs who were defendants therein; that said action was thereafter noticed for trial by the appellants therein and brought to a hearing at a term of the United States Court in the City of Albany, and that on the 21st day of January, 1896, the complaint therein was dismissed by said court, but he alleges that said complaint was dismissed upon technical grounds only as
10 hereinafter set forth and not upon the merits in said action.

The defendant admits that after the appeal in said action was taken by the plaintiffs they requested the defendant to stipulate for a suspension of said injunction, which request was refused by the defendant, but he alleges that no petition or application was made to the court by or on the part of the plaintiffs herein for a suspension of said injunction during said appeal.

Second—The defendant denies that he ever caused or procured the circulation of any reports whatever in regard to said injunction and action through the newspaper press or otherwise as alleged in said Amended Complaint, and he further denies that he has any knowledge or information thereof sufficient to form a belief as to the other facts set forth in said Amended Complaint.

Third—The defendant further answering the said Amended Complaint alleges that in the year 1873 he was a co-partner in business in the City of Poughkeepsie with his brother Andrew Smith, under the name of "Smith Brothers" and that said co-partnership continued until the 21st day of October, 1894, on which day the said Andrew Smith departed this life, leaving this defendant as the sole surviving partner of said firm.

That during said year 1873 the defendant and the said Andrew Smith as such co-partners, and thereafter during the life of Andrew Smith, were engaged in the business, among other things, of manufacturing and selling cough drops of the following general appearance: Color, black; form, circular; about three-quarters of an inch in diameter; flattened on both sides—one side however, being
11 somewhat rounded—and being about one-quarter of an inch in thickness; having stamped upon one side thereof a star

with five points surrounded by a ring at a short distance therefrom, and on the other side stamped "S. B." in heavy letters, with a bar above and below the letters.

That for many years prior to the death of said Andrew Smith, said cough drops were, and ever since his death have been, put upon the market and sold in pasteboard boxes about 3½ inches long, about two inches wide and about ¾ of an inch thick, provided with folding ends, the top of each box containing in connection with the representation of the busts of Smith Brothers, the following words and letters:

"SMITH BROTHERS'
S. B.

COUGH DROPS

S. B.
STAMPED ON EACH DROP.

POUGHKEEPSIE,
N. Y.
TRADE MARK.

Which, with the designs upon said cough drops, were adopted and for more than twenty years last past have been used and generally known as the trade marks of the said firm of Smith Brothers and of the defendant.

That thereafter the said firm of Smith Bros. in order that their title to said trade-mark might be made more clear and cer-
12 tain and the public more thoroughly informed as to their rights thereunder, caused the same to be registered according to the statutes of the United States, and that on or about the 3rd day of January, 1893, the certificate of registration of trade-mark No. 22,294 was granted to said firm of Smith Brothers, a copy of which is hereto annexed as part of this answer.

That in the year 1881, said firm of Smith Brothers brought an action in the Supreme Court of the State of New York against James Lutted and Oscar Gemmer, as defendants, both of whom were residents of the State of New York, said defendants having, in place of the letters "S. B." used the letters "S. P." which they stamped upon their cough drops on one side in connection with a star on the reverse side thereof. That issue was joined therein and a trial had before his Honor, J. F. Barnard, Justice of said court, upon the pleadings, proofs and allegations of the parties; that upon February 18th, 1882, a decision was rendered in said cause, finding that said firm of Smith Brothers were entitled to use, have and enjoy the particular mark stamped upon their drops and adopted by themselves as above de-

scribed as and for their trade-mark, and that the drops made by the defendants in said action with the letters "S. P." stamped thereon were an unlawful and wrongful imitation of those made by Smith Brothers and were in violation of Smith Brothers' rights to their trade-mark aforesaid, and that defendants in said suit and each of them, were enjoined and restrained by the judgment of the said court from making or selling drops in imitation of those of Smith Brothers, having thereon a star, or a star surrounded by a
13 ring or the letters "S. P." or any similar letters resembling those so used by Smith Brothers, and that the defendants in said action were required to pay the plaintiffs their costs therein, a copy of which decision and the judgment granted by said court are hereto annexed as part of this Amended Answer.

The defendant further alleges that the said Andrew Smith left a last will and testament which was duly admitted to probate by the Surrogate of the County of Dutchess on or about the 5th day of November, 1894, in and by which William W. Smith and Rachel S. Wood were appointed executors thereof, to whom letters testamentary thereon were on that day duly issued by said Surrogate, and that on or about the 22nd day of November, 1894, said executors executed and delivered to the defendant all the right, title and interest of the said Andrew Smith in said co-partnership and the business conducted by the same, including all the right, title and interest which he had at the time of his death in the business of manufacturing said cough drops and the trade-mark hereinbefore referred to with the right to the defendant to continue the manufacture and sale thereof under the name of "Smith Brothers" and in the same boxes or packages in all respects the same as they were sold during the lifetime of the said Andrew Smith.

The defendant further answering alleges: That on or about the 12th day of January, 1895, he being then the owner of the trade-mark above referred to, commenced an action against the plaintiffs in the Circuit Court of the United States for the Northern District of New York which is the action referred to in the amended complaint herein; that in his bill of complaint in said action he claimed that the plaintiffs herein among other things were infringing
14 upon the trade-mark of the defendant and that in said action he prayed that an injunction might be issued by said Court restraining the plaintiffs (who were defendants in said action) from any further infringement of said trade-marks or any part thereof.

That no temporary injunction was asked for or obtained in said action, but that the matter was brought before the Court on the bill of complaint therein and the affidavits of the defendants (who are the plaintiffs in this action) in opposition thereto, that the Court before whom said action was tried decided the same upon the merits thereof and rendered an opinion therein to the effect that the plaintiffs in this action were infringing upon the trade-mark of the defendant, a copy of which opinion is hereto annexed as part of this answer, and a judgment was thereupon and on or about the 8th day of April, 1895, entered in said action restraining the plaintiffs herein from a further infringement of said trade-mark.

All of which will more fully appear by reference to the judgment roll in said action now on file in the office of the Clerk of the Circuit Court of the United States in and for the Northern District of New York, to which the defendant prays leave to refer as part of his amended answer.

That an appeal was taken by the defendants in said action (who are the plaintiffs herein) from said judgment to the United States Circuit Court of Appeals in and for the Second Circuit; that upon the hearing of said appeal said judgment or order was reversed with costs against this defendant, and judgment thereon entered accordingly in the judgment book of the Clerk of the United States
15 Circuit Court for the Northern District of New York on the 15th day of February, 1896, which said costs were fixed at the sum of $207.83 and which were immediately thereafter duly paid by the defendant herein.

That said reversal was not upon the merits but upon technical grounds because the parties to said action were all citizens of the same State as will more fully appear by the opinion of the Court rendered therein, a copy whereof is hereto annexed as part of this answer.

Fourth—And as a partial defence to the cause of action set forth in the complaint herein the defendant alleges that at the time said judgment of reversal was granted Ferdinand Bunte, Gustave A. Bunte and Charles A. Spoehr, all of whom were residents of the City of Chicago, in the State of Illinois, were engaged in the sale of the cough drops made by the plaintiffs in this action, and that an action was thereafter commenced against them by the defendant in the United States Circuit Court for the Northern District of Illinois, Northern Division, for the purpose of procuring an injunction restraining them from selling the cough drops manufactured and put upon the market by the plaintiffs herein, and that the Court before whom the matter was brought for a hearing found and decided that the cough drop package and the cough drops manufactured by the plaintiffs herein were an infringement upon the trade-mark of this defendant and a decree was entered in said action to that effect on the 13th day of March, 1897, under and by which the defendants in said action were perpetually enjoined from selling the cough drops or boxes for cough drops of the plaintiffs herein, a copy of which decree is hereto annexed as part of this Amended Answer.

16 The defendant further alleges that by reason of the facts above set forth, and also by reason of the fact that the Order of Injunction above referred to was granted by the Court upon the merits of the action, he is advised by his counsel and therefore alleges that he is not liable for any damages sustained, or claimed to have been sustained by the plaintiffs herein by reason of the Writ or Order of Injunction granted in the action brought by this defendant against the plaintiffs herein, and he therefore demands that the complaint herein be dismissed with costs.

J. S. VAN CLEEF,
Attorney for Defendant.

COUNTY OF DUTCHESS, *ss:*

William W. Smith, being duly sworn, says that he is the defendant in the above entitled action, and that the foregoing answer is true to his own knowledge except as to the matters therein stated to be alleged on information and belief, and that as to those matters he believes it to be true.

WILLIAM W. SMITH.

Sworn to before me this 29th day of November, 1898.

JOHN R. KEECH,
Notary Public.

17 Supreme Court, Dutchess County.

WILLIAM W. SMITH and ANDREW SMITH, Co-partners in Business, Composing the Firm of Smith Brothers, Plaintiffs,
against
JAMES LUTTED and OSCAR GEMMER, Co-partners in Business, Composing the Firm of J. Lutted and Company, Defendants.

This case having come on to be tried before me without a jury, and I having heard the proofs and allegations of the parties,

I do hereby find as facts the following:

(1) That the plaintiffs are and have been for many years past co-partners in business under the firm name of Smith Brothers, and doing business at Poughkeepsie, New York.

That for six years or more past they have been engaged in the manufacture and sale of cough drops, compounded from a secret known only to themselves.

That said drops are and have been of the general appearance as follows:

Color, black; form, circular; about three-fourths of an inch in diameter; flattened on both sides, and being about one-fourth of an inch in thickness, having stamped upon one side thereof a star with five points surrounded by a ring at a short distance therefrom, and on the other side the letters S. B. in heavy black letters, with a bar above and below.

18 That said stamps upon the faces of said drops have been for six years and more past adopted and used by plaintiffs as their trade-mark for said drops.

(2) That the plaintiffs have advertised said drops extensively, and have expended about five thousand dollars in the introduction of the same to the market.

That they are now being extensively used throughout the United States, and pass under the name of S. B.'s.

(3) That the defendants, James Lutted and Oscar Gemmer, are co-partners in business at Buffalo, New York, under the firm name of J. Lutted & Company.

That knowing the great demand for said drops and their popularity in the market, the defendants as co-partners aforesaid, have for several months past, and previous to the commencement of this

action, been wrongfully imitating the said S. B. Drops of the plaintiffs, intending to deceive consumers of the said drops and cause them to purchase defendants' drops, believing them to be the genuine article made by plaintiffs.

(4) That in pursuance of said wrongful intentions they have made their drops of the same color and about the same size and shape, and of the same general appearance as those of plaintiffs; and in addition thereto have stamped a star similar to that upon the drops of plaintiff upon one face of their drops; and upon the other have stamped the letters S. P. in large black letters, with a bar above and below.

That thus stamped the letters strongly resemble the letters used by plaintiffs, especially after the drops have rubbed together in transportation or otherwise.

19 (5) That in the case of the plaintiffs the letters "S. B." signify "Smith Brothers," being the name of their firm, while in the case of the defendants the letters "S. P." have no significance, except, perhaps, one designed to further cover their wrongful plans and intentions; and the letters were adopted and used by the defendants because they so closely resembled the letters S. B. both in appearance and sound.

(6) That the defendants have been selling and offering to sell their said drops to customers of the plaintiff at a less price, intending to deceive the purchasers and consumers of the drops for the profit of defendants.

That such manufacture and sale on the part of the defendants has greatly interfered with and resulted in great damage to the business of plaintiffs, and that they have been greatly injured thereby.

I do find as conclusions of law the following:

(1) That the plaintiffs are entitled to use, have and enjoy the particular marks stamped upon their drops and adopted by them, as above described, as and for their trade-mark.

That as such it is valuable to them as property, and is entitled to the protection of the courts.

(2) That the drops made by the defendants as above described are an unlawful and wrongful imitation of those made by the plaintiffs, and are in violation of their rights to their trade-mark aforesaid.

(3) That the said defendants and each of them and their said firm and their employees for them, are hereby perpetually
20 enjoined and restrained from making or selling drops in imitation of those of plaintiffs, or having thereon a star or a star surrounded by a ring, or the letters S. P. or any similar letters resembling those used by the plaintiffs; and that the plaintiffs recover of the defendants their costs in this action, to be taxed by the clerk of this court.

J. F. BARNARD,
Justice of the Supreme Court.

At a Special Term for the trial of issues, held at the Court House in Poughkeepsie, Dutchess County, New York, on the 18th day of February, 1882.

Present: Hon. Joseph F. Barnard, Justice.

Supreme Court, Dutchess County.

WILLIAM W. SMITH and ANDREW SMITH, Co-partners in Business, Composing the Firm of Smith Brothers, Plaintiffs,

against

JAMES LUTTED and OSCAR GEMMER, Co-partners in Business, Composing the Firm of J. Lutted and Company, Defendants.

This action having been this day tried before the Hon. Joseph F. Barnard, Justice, without a jury, and the Justice having made his findings of law and fact—

It is now, on motion of Milton A. Fowler, attorney for the plaintiffs, adjudged and decreed that the plaintiffs recover of the
21 defendants their costs and disbursements, amounting to the sum of seventy-five dollars.

And it is further adjudged and decreed that the plaintiffs are co-partners, doing business at Poughkeepsie, N. Y., and have for six years or more past been engaged in the manufacture of cough drops, which are in color black, in form circular, and about three-fourths of an inch in diameter, having stamped upon one face thereof a star surrounded by a ring, and on the other face the letters "S. B." in heavy block letters.

That these said marks were adopted by the plaintiffs, and have been used by them as their *trade-mark*, and the same as such has become their property and of great value.

And it is further adjudged and decreed that the defendants are co-partners in business at Buffalo, N. Y., and as such have designedly imitated the trade-mark of plaintiffs, using the letters "S. P." instead of "S. B.," but otherwise making their drops of the same general appearance and have thus wrongfully interfered with the property of plaintiffs in their said trade-mark.

That the drops so made and marked are a violation of said trade-mark.

It is therefore ordered, adjudged and decreed that the defendants and each of them, and their said firm and their employees for them, are hereby perpetually enjoined and restrained from making or selling drops in imitation of those of plaintiffs, or having
22 thereon a star or a star surrounded by a ring, or the letters "S. P." or any similar letters resembling those used by the plaintiffs.

Enter,

J. F. BARNARD.

23 UNITED STATES PATENT OFFICE.

SMITH BROTHERS, of Poughkeepsie, New York.

Trade-mark for Cough Drops.

Statement and Declaration of Trade-mark No. 22,294, Registered January 3, 1893.

Application Filed January 28, 1892.

Statement.

To all whom it may concern:

Be it known that we, Smith Brothers, a firm domiciled in the city of Poughkeepsie, in the county of Duchess and State of New York, and doing business in said city, have adopted for our use a Trade-Mark for Cough Drops, of which the following is a full, clear, and exact specification.

The essential feature of our trade-mark consists of the letters "S. B." These have generally been arranged as shown in the accompanying fac-simile beneath the name "Smith Brothers," and between two bust portraits and over the words "Cough Drops." Beneath the words "Cough Drops," the following matter is printed: "S. B. Stamped on Every Drop. Poughkeepsie, N. Y.;" but the name "Smith Brothers," the portraits, the words "Cough Drops," and the matter following the words "Cough Drops" may be omitted and other matter substituted without materially altering the character of the trade-mark, the essential feature of which, as heretofore stated, consists of the letters "S. B."

This trade-mark has been used continuously in business by us and those from whom we derived our title since the 1st of January, 1874.

The class of merchandise to which this trade-mark is appropriated is confectionery; and the particular description of goods comprised in such class on which it is used by us is cough drops.

It has been our practice to apply the trade-mark to the boxes or receptacles containing the goods by means of suitable labels upon which it is printed in color, and the letters "S. B." are likewise produced directly upon the drops.

SMITH BROTHERS,
By WILLIAM W. SMITH,
Member of the Firm.

Witnesses:
ARTHUR G. SMITH.
J. S. VAN CLEEF.

Declaration.

STATE OF NEW YORK, *County of Dutchess, ss:*

Andrew Smith, a member of the firm of Smith Brothers and resident of Poughkeepsie, New York, being duly sworn, deposes and says that said firm is the applicant named in the foregoing statement; that he verily believes that the foregoing statement is true; that said firm has at this time a right to the use of the trade-mark therein described; that no other person, firm or corporation has the right to such use, either in the identical form or in any such near resemblance thereto as might be calculated to deceive; that said trade-mark is used by said firm in commerce between the United States and Canada; that the description and fac-similes presented for record truly represent the trade-mark sought to be registered, and that he is a citizen of the United States.

ANDREW SMITH.

Sworn to and subscribed before me this seventh day of December, 1892.

[L. S.] J. S. VAN CLEEF,
Notary Public.

(Here follows design marked p. 24.)

TRADE-MARK.

SMITH BROTHERS
COUGH DROPS.

No. 22,294. Registered Jan. 3

WITNESSES:
L. N. Legendre
G Sedgwick

Prop
Smith
BY Munn
ATTOR

No. 67.
Burkhalter } p. 24
v
Smith

TRADE-MARK.

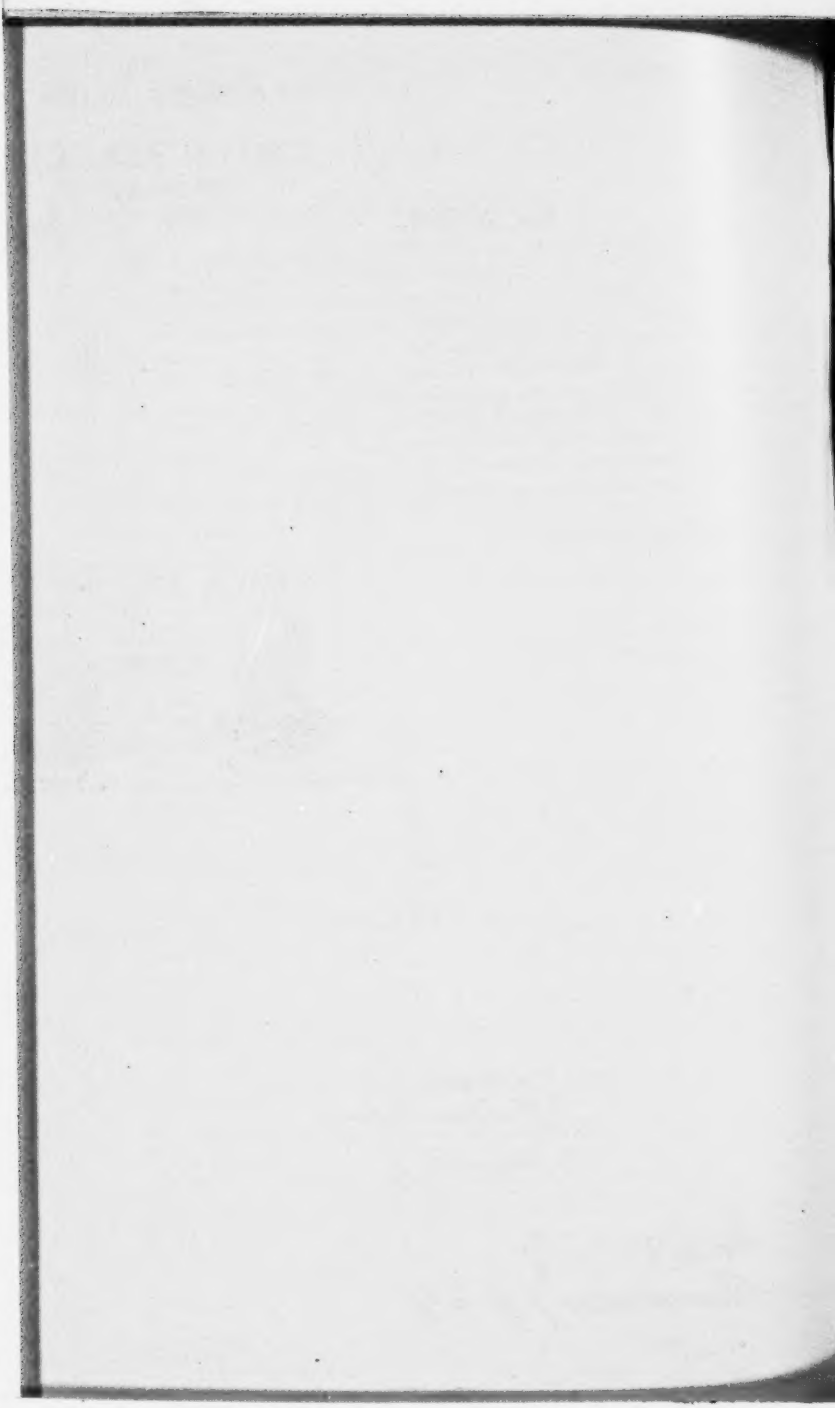
SMITH BROTHERS
COUGH DROPS.

No. 22,294. Registered Jan. 3, 1893.

WITNESSES:
L. N. Legendre
A Sedgwick

Proprietors
Smith Brothers
BY Munn & Co
ATTORNEYS.

No. 67.
Burkhalter } p. 24
v
Smith



25 United States Circuit Court, Northern District of New York.
In Equity.

WILLIAM H. SMITH
vs.
ALFRED H. BURT ET AL.

Memo.

COXE, *J.:*

The validity of the complainant's trade-marks has been repeatedly upheld by an apparently unbroken line of decisions in the State and Federal Courts. The only open question is one of infringement.

The trade-mark registered January 3, 1893, state as follows: "The essential feature of our trade-mark consists of the letters 'S. B.,'" which have "since the 1st of January, 1874," been applied to boxes containing cough drops and to the cough drops themselves.

The defendants stamp the letters "B & S" on their boxes and drops.

It was thought at the argument and it is still thought, in view of all the circumstances, in view of the almost literal copying of a part of complainant's directions that the use of these letters in this manner constitutes an infringement.

Pillsbury *v.* Pillsbury Co., 64 Fed. Rep., 841; Fairbank *v.* Lard Co., 64 Fed. Rep., 133; Giron *v.* Gartner, 47 Fed. Rep., 467; Brown *v.* Stearns & Co., 37 Fed. Rep., 360; Hutchinson *v.* Blumberg,
26 51 Fed. Rep., 829, 832; While *v.* Muller, 50 Fed. Rep., 277; Wellman *v.* Ware, 46 Fed. Rep., 289.

If the defendants are sincere in their assertion that they wish to rely solely upon the merits of their own goods it will in no way injure them to desist from the use of letters which the complainant has employed for so many years; indeed, such discontinuance will relieve them from an imputation which must be most distasteful to men who desire to resort only to upright business methods.

The complainant is entitled to an injunction restraining the infringement of the trade-mark of January 3, 1893, numbered 22,294.

United States Circuit Court of Appeals, Second Circuit.

WILLIAM W. SMITH, Complainant and Appellee,
vs.
ALFRED H. BURT and One, Defendants and Appellants.

This is an appeal from an order of the Circuit Court in the Northern District of New York, granting a preliminary injunction restraining appellants from continuing the alleged infringement of the trade-mark rights of appellee. The facts appear in the opinion.

LACOMBE, *Circuit Judge:*

Complainant is a citizen of Poughkeepsie, New York, doing
27 business under the name of Smith Brothers. He is the successor of the original firm of that name, comprising him-

self and his brother Andrew Smith, who died in October, 1894. The business of the firm and of the complainant has been and is the manufacture and sale of cough drops. For eighteen years last past the cough drops manufactured and sold by them have been of uniform size, color and form, stamped on one side with a star and on the other side with the letters "S. B." with a bar above and below the letters. These cough drops have during the same period been put up and offered for sale in a uniform style of box or package of a certain size and shape. On the top of the box appear two bust portraits of male figures representing the members of the original firm, one portrait opposite the other. Over the top of these vignettes are printed the words "Smith Brothers" and between the vignettes the letters "S. B." with a line beneath them, the words "Cough Drops" and the statement that "S. B." is stamped on each drop; also the words "Poughkeepsie, New York," and on a lower line the word "Trade-mark." The letters "S. B." are the initials of the firm name "Smith Brothers." On the bottom of the box are printed a statement of the merits of the compound, and directions for use. The form, size, color and markings of the drops, and the shape, style, lettering and ornamentation of the packages are claimed to be the trade-mark or designation of the articles manufactured by complainant.

On January 28, 1892, the original firm applied to the Patent Office for registration of portions of their trade-mark and obtained registration therefor by patents No. 20,907, March 29, 1892, 28 and No. 22,294, January 3, 1893. The first of these contains a facsimile of the top of the box, with a full description thereof. Then follows the statement that "all of the matter, *with the exception of the portraits,* may be omitted and other matter substituted, * * * without materially altering the character of the trade-mark, the *essential feature* of which * * * consists of two *bust portraits* of male figures, representing the Smith Brothers, the registrants." The other patent of registration, No. 22,294, in like manner sets forth a facsimile and a full description of the top of the box. Then follows the statement that "the name Smith Brothers, the portraits, the words 'Cough Drops,' and the matter following the words 'Cough Drops' may be omitted and other matter substituted without materially altering the character of the trade-mark, the *essential feature* of which * * * consists of the *letters 'S. B.'*"

The defendants Alfred H. Burt and Joseph J. Sindele are citizens of New York carrying on business as partners at Buffalo in that State, under the firm name of Burt & Sindele. They are confectioners and manufacture and sell cough drops which they mark "B. S." and offer to the public in packages or boxes upon which the letters "B. & S." are prominently printed. No bust portraits appear on their packages and complainants, therefore, have sued for infringement, not of registered trade mark No. 20,907 but of No. 22,294.

The trade-mark statute, Act of March 3rd, 1891, provides in its third section that no alleged trade-mark shall be registered which

is merely the name of the applicant, and defendant contends
29 that this provision forbids the registration as a trade-mark of letters, which are merely the initials of such name. It is unnecessary to pass upon such contention in this case, for it seems too plain for argument that if the trade-mark registered is only for the two letters "S. B." arranged in that order, it is not infringed by the mere use of the combination "B. & S."

Complainant seeks to rely upon other facts than the mere use by defendants of their own firm initials "B. & S." He points out similarities in the form, size and color of the drops, in the arrangement of the package, in the text and style of the directions for use, and other details tending, as he claims, to show an intent to deceive the purchasing public. It is apparent from the opinion of the Judge who heard the case in the Circuit Court, that it was these similiarities which induced him to grant the motion for preliminary injunction. But these matters are immaterial to the question presented in this suit for the determination of a federal court. The complainant and defendants are all citizens of the same State. The Federal Court can take jurisdiction, therefore, only of the question whether the registered trade-mark declared upon has been infringed, and that trade-mark solely for the two letters "S. B." without any designation of style or type, position on the cover, or association with other elements of dress or decoration.

The order appealed from is reversed with costs.

(Endorsed:) U. S. Circuit Court of Appeals, Second Circuit. William W. Smith, Compl't & Appellee, *vs.* Alfred H. Burt and ano., Def'ts & Appellants. Opinion, Lacombe, C. J. United States
30 Circuit Court of Appeals, Second Circuit. Filed Dec. 17, 1895, James C. Reed, Clerk.

United States Circuit Court, Northern District of Illinois, Northern Division.

WILLIAM W. SMITH
vs.
FERDINAND BUNTE, GUSTAV A. BUNTE, and CHARLES A. SPOEHR.

This cause coming on to be heard upon the bill of complaint herein and the affidavits and exhibits submitted by complainant, the defendants not contesting, and the Court being fully advised in the premises, it is ordered, adjudged and decreed as follows:

1. That the complainant, William W. Smith, is the owner of the trade-marks described in the bill of complaint herein; that the same are good and valid, and that the boxes and Cough Drops sold by the defendants as shown by the affidavits and exhibits herein are unlawful imitations of complainant's trade-marks and packages.

2. That the defendants Ferdinand Bunte, Gustav A. Bunte and Charles A. Spoehr, their agents, employees, servants and all persons claiming or holding through or under them, be and they are
31 hereby perpetually restrained and enjoined from manufacturing or selling, directly or indirectly, cough drops or boxes for

cough drops bearing the marks or lettering shown in the exhibits filed herein, and from making or selling cough drops purporting to be the cough drops of complainant and from making or selling boxes for enclosing the same substantially like the boxes used by the complainant for enclosing his said Cough Drops for sale, and from any and every use of any imitation whatsoever of complainant's said boxes and cough drops, and from the use of any and every collection or grouping of words and letters like that shown upon the boxes and cough drops of complainant.

3. That since the complainant waives *its* right to an accounting and to costs, that no costs or damages shall be recovered of the defendants herein, and that this be the final order in said case.

Clerk's Minutes.

At a term of the Supreme Court, held at the City and County Hall, in the City of Buffalo, in and for the County of Erie, on the 17th day of June, 1901.

Present: Hon. Daniel J. Kenefick, Justice presiding.

Court convened at 10 a. m.

ALFRED H. BURT & One
against
WILLIAM W. SMITH.

Norris Morey, Clarence M. Bushnell, for Plaintiffs.
J. S. Van Cleef, James L. Quackenbush, for Defendants.

32 Cause reached in its regular order on the day calendar, and the following jurors all sworn to try the case:

1. West. O. Dutton,
2. De Witt C. Blakely,
3. Frederick C. Childs,
4. Samuel B. Simpkins,
5. James McRea,
6. James B. Kennedy,
7. Jacob Wendel,
8. Joseph Gurney,
9. Frank Wilker,
10. John Bartoo,
11. Joseph Steinakes,
12. Peter G. Mohr.

Plaintiffs' attorney, Mr. C. M. Bushnell, opens his case to the jury and the following witnesses are sworn and testify in plaintiffs' behalf:

Plaintiffs' Witnesses:

Joseph Crump.
Alfred H. Burt.

Adjourned to June 18, 1901, at 10 a. m.

June 18, '01.—Court convened at 10 a. m.
Jury called, all respond. Trial resumed.

Plaintiffs' witnesses continued:

William W. Smith.
Alfred H. Burt, recalled.

Recess until 2 p. m.

Court convened at 2 p. m.
Jury called, all respond. Trial resumed.

Plaintiffs' witnesses continued:

Alfred H. Burt, recalled.
Charles F. Van Nort.
Charles Wood.
Arthur D. Baker.

33 Adjourned to June 19, 1901, 10 a. m.

June 19, 1901.—Court convened at 10 a. m.
Jury called, all respond. Trial resumed.

Plaintiffs' witnesses continued:

Herbert M. Hill.
Ernest Wende.
William G. Bissell.

Recess until 2 p. m.

Court convened at 2 p. m.
Jury called, all respond. Trial resumed.

Plaintiffs' witnesses continued:

Alfred H. Burt, recalled.
Edward T. Burt.

Plaintiff- rests.

Counsel for defendant moves for a non-suit upon the ground that plaintiff- *has* failed to establish a cause of action.

Adjourned to June 20, 1901, 10 a. m.

June 20, 1901.—Court convened at 10 a. m.
Counsel for defendant continues his argument for a non-suit.

Recess until 2 p. m.

Court convened at 2 p. m.
Motion for a non-suit granted.
Exceptions ordered to be heard in the first instance at the Appellate Division and stay of Judgment and all proceedings until the determination of said exceptions, and it is further ordered that plaintiff- have 40 days to make a case.

34 I hereby certify that the foregoing is a true copy of the Clerk's minutes in the above entitled action.

MARTIN J. FISHER,
Special Deputy County Clerk, Erie County, N. Y.

Order.

At a Trial Term of the Supreme Court, held in and for the County of Erie, at the City and County Hall in the City of Buffalo, N. Y., on the 20th day of June, 1901.

Present: Hon. Daniel J. Kenefick, Justice.

Supreme Court, Erie County.

ALFRED H. BURT and JOSEPH J. SINDELE, Plaintiffs,
vs.
WILLIAM W. SMITH, Defendant.

This action having been tried before the undersigned, a Judge of this Court, and a jury, at the present Trial Term, and a non-suit having been granted upon a motion of the defendant at the close of plaintiffs' evidence, and the plaintiffs having taken exceptions to rulings at the trial, and the undersigned having thereupon directed said exceptions to be heard at the Appellate Division of the Supreme Court, and that judgment be suspended in the meantime;

35 Now, on motion of Clarence M. Bushnell, Esq., counsel for the plaintiffs, it is

Ordered, that plaintiffs' said exceptions be heard in the first instance at the Appellate Division of this Court, and that judgment and all proceedings therefor be suspended and stayed until the determination of the exceptions; and it is further

Ordered, that plaintiffs have forty (40) days to make a bill of exceptions or case containing exceptions, for that purpose.

DANIEL J. KENEFICK,
Justice of the Supreme Court.

Enter.

Supreme Court, Erie County.

ALFRED H. BURT and JOSEPH J. SINDELE, Plaintiffs,
vs.
WILLIAM W. SMITH, Defendant.

Case Containing Exceptions.

This case came on for trial before the Hon. Daniel J. Kenefick and a jury, at a term of the Supreme Court held in and for the County of Erie, at the City and County Hall in the City of Buffalo, N. Y., on the 17th day of June, 1901.

Messrs. Morey & Bosley and Clarence M. Bushnell, Esq., of counsel, appeared for the plaintiffs.

Messrs. J. S. Van Cleef, Milton A. Fowler, James L.
36 Quackenbush and George P. Keating for the defendant; and the following proceedings were then and there had:

JOSEPH CRUMP, being duly sworn, testified on behalf of the plaintiff- as follows:

Direct examination by Mr. BUSHNELL:

I am the State agent of the United States Printing Company; that company manufactures folding boxes, pasters, labels, all classes of colored printing. It does a very large business, and their goods are sent to all parts of the United States and abroad. (Two folding boxes marked "A" and "B" for identification).

I do not design boxes and packages myself. That is a specialty. We receive the orders for the boxes and have them executed by an artist in our employ.

(Witness shown exhibit "B.")

That box was designed according to the order of the United States Printing Company. The design was made by an artist in the employ of the United States Printing Company. I received the order for the box from Mr. Burt of Burt & Sindele. The instructions received from him in reference to the design of the box were to make an original design for the cough drop entirely distinct from anything on the market. The design was left to us, and then submitted to the buyer, and corrections as to the style of the design were ordered changed to suit their ideas.

I think that it was at my suggestion that the words "New Style Package Adopted 1892" on Exhibit "B" were put upon the box, after this sketch was submitted.

37 In the original sketch the name of the firm was made much smaller than that, and at Mr. Burt's suggestion we enlarged it to the present size. That enlargement is possibly double the size of the original sketch. In other respects the design was left to the United States Printing Company. Two ounce folding packages of substantially that shape, and printed in black and white, have been on the market as long as I have been in the business, that is, for thirty-five years.

Cross-examination by Mr. QUACKENBUSH:

Burt & Sindele had a form of package that they were using before this one, which my firm made. The package marked "A" is the package which Mr. Burt showed me at the time of my conversation with him. That is the style of package they were using at that time previous to our design. The package marked "B" is the one finally adopted. When the order was given for that matter, our instructions were to make a package unlike anything on the market, and that was our general way of doing business.

ALFRED H. BURT, one of the plaintiffs, being duly sworn, testified as follows, on behalf of the plaintiffs:

Direct examination by Mr. BUSHNELL:

I am one of the plaintiffs in this case; am 37 years old; have lived in Buffalo 19 years. Joseph J. Sindele and myself do business under the name of "Burt & Sindele," at 113 Seneca St., Buffalo, N. Y.

We have done business under that name since September 1st, 1891.

Our business is the manufacture of confectionery and cough
38 drops. When I first came to Buffalo I was employed by James Lutted selling candy and cough drops, as a traveling salesman to introduce them. Mr. Lutted was a manufacturer of confectionery and cough drops. I covered the Western part of New York State, the States of Pennsylvania, Ohio, Michigan, Indiana, Illinois, Wisconsin, Minnesota, Iowa, Nebraska, Kansas, Missouri, Kentucky and West Virginia.

I traveled for him nine years selling cough drops and confectionery. Burt & Sindele commenced business in September, 1891, and then began to manufacture cough drops and confectioneries. Generally speaking the part of the business looked after by me was the selling of the goods. I traveled on the road. Mr. Sindele looked after the manufacturing part of the business. We commenced the manufacture of cough drops in 1891. The cough drop that we commenced to manufacture was the same in form and color and lettering that we are making to-day, and differed from it in no respect. We put up these cough drops in two ounce, five cent packages.

(Witness shown Exhibit "A.")

That is the package that we first used. We used that package for a year and a half, or two years. In the fall of 1892 I ordered a new lot of packages from Joseph Crump, representing the United States Printing Company.

(Witness shown Exhibit "B.")

Exhibit "B" is the style of package that we got in 1892, and is the style of package we are using to-day.

Q. Who designed that package?

39 A. I gave the instructions to Joseph Crump.

Q. Exhibit "B?"

A. Yes.

Q. What instructions did you give him in reference to the design of the package?

A. I met him on the street one day as I recall, and asked him to come to my office, that I wished to get out a new package, that the one I was using (that is Exhibit A) I was not satisfied with, it was too cheap in appearance. It was what we call a plain type job, not an artistic job. I asked him if he would come in to see me about a new package. He did. I told him that I wanted him to get me up a package that would be in design different from anything he had seen in any shape now on the market, something that would be original and that I could copyright and register as a trade-mark for our firm, and that on the package I was then using our firm name appeared in very small letters, that I wanted him to bring it out on a new package as large and prominent as he could.

On Exhibit "A," the package we were using originally, the only place that our firm name appears is on the bottom.

Packages marked Exhibit- "A" and "B" for identification offered and received in evidence and marked Exhibits "A" and "B." (Origi-

nal packages Exhibits "A" and "B" to be submitted to the court upon the argument of the motion for a new trial, or of any appeal from the decision thereof.)

Q. I call your attention, Mr. Burt, to the words on Exhibit
40 "B," "New Style Package Adopted 1892." Tell us at whose suggestion those words were put there?

A. Mr. Crump submitted the design, and I asked him at the time if he knew of any package similar now upon the market, and he said he did not. Then I said: "I purpose having this registered." He said "It is unnecessary to go to that expense for the registrations only indicate the time at which you began using the package. It will answer every purpose if you will indicate that on the package." He said: "All that is necessary is to place on the package, 'New Style Package adopted 1892,' that serves every purpose." I said: "If that is the case you may do so," which he did. That is the way that lettering came upon the package.

Q. Mr. Burt, how did that package happen to be of that size? What determined the size of the package?

A. I took two ounces of cough drops, placed them in a scale, and took a cardboard and sized the exact size for this package. This package differed in size from most of the packages on the market. There is some variation. It was not designed, and was not sized after any other package. I had no other package in my possession at the time when I sized that one.

The size of the package was determined by the quantity of drops that it held, that is, two ounces. I have been connected with the candy business and the confectionery business for 19 years, and I have seen five-cent packages of that size in the market from 16 to 17 years. I have seen put up in them a variety of com-
41 modities, caramels, lemon drops, fruit tablets in a variety of flavors, lemon, strawberry, orange, coffee, iceland moss drops, lemonade drops and licorice, goods of different kinds, and a very large variety of cough drops. These different goods that I have mentioned we sold generally throughout the country in packages of substantially that size. That package is made in that shape with folding ends for its convenience. Substantially all of the five-cent boxes of the different articles I have mentioned are made in that same way, and are made largely of that kind of paper, but of different colors, white predominates. The lettering on most of them is black.

That white paper is one of the cheapest grades of paper. There is a manila paper box that is cheaper and makes a very plain cheap looking package.

Exhibit "A" is a type printed box. I don't know whether Exhibit "B" is a lithograph or a copper plate. It is an artist's design, an engraved package.

Exhibit "B" is what we have used ever since. I have known cough drops to be sold in a five-cent package since 1884 or 1885. Aside from what I have stated I did not give Mr. Crump any further directions or instructions.

Q. Did you have anything to do with the artistic design of that box in any way?

A. No, sir; he submitted the design to me and I O. K'd it. The first design did not have the lettering on the end of the package there "New style package adopted 1892," that was filled in after he had submitted the design. When I said to him I wanted to have
42 that copyrighted as a trade-mark, then he filled in that in the end. He said: "That is all that is necessary." But the first drawing he submitted to me in other respects was the same as that.

The letters "B. & S." on that package stand for Burt & Sindele, the name of myself and partner. The letters "B. & S." on the cough drop stand for Burt & Sindele. We also use the initials "B. & S." on a brand of licorice, "B. & S." licorice; on our lozenges, peppermint and wintergreen lozenges; on a variety of fruit tablets which we make, strawberry tablets, pineapple tablets, and orange and lemon tablets; and about 15 different flavors, and on our label, which is put on every box of goods which we ever made. We used it on our envelopes and on our bill heads, on our invoices and on our stationery. It has, to my personal knowledge, for 19 years been a custom for other confectioners to use the initials of their names upon their goods. Crofton & Allen of Philadelphia, C. & A.; Wright & Moody of Boston, W. & M.; Sibley & Holmwood of Buffalo, S. & H.; Fobes, Hayward & Co. of Boston, F. H. & Co.; Slauser of New York, S.; Henry Heide of New York City, H-H.; Thorpe, Hawley & Company of Detroit, T. H. & Co.; Smith Brothers of Poughkeepsie, S. B.; Young & Smylie of Brooklyn, Y. & S. Licorice; D. & S., Dean & Sons licorice.

Q. Mr. Burt, did you manufacture any other cough drop than the "B. & S." cough drop sold as the "B. & S.?"

A. We made a cough drop for a firm by the name of Taylor. We also made a cough drop called the Dr. Young Cough
43 Drop. The Dr. Young Cough Drop is a second grade cough drop compared with the "B. & S.," and is cheaper in price, and is put up under the brand of the Dr. Young Cough Drop Company.

We sold our B. & S. cough drops for 80 cents for 40 packages; that is the lowest jobbing price. Exhibit "B" is called a package.

Q. How are they put up to be shipped to the trade?

A. Forty packages of these to a box, and 30 and 50 boxes to a case. The short price of these was 80 cents a box to the jobbing trade, that is, 80 cents for 40 such packages as Exhibit "B." In order to push the sale of our cough drops when we went into business we advertised them very largely in trade journals, in the Confectioner's Journal of Philadelphia; in the International Confectioner, now published in New York; we also gave out an advertising case, a show case for selling our cough drops. We gave out 1955 of them; that was an oak frame with glass glazed.

Those cases cost us $2.00 and $2.25 apiece.

We also advertised by giving out 5,000 fancy cards. Those cost $35.00 a thousand; also 1,000 fancy cards costing $30.00 a thousand. We had a man with an advertising buggy working through Western

New York and Pennsylvania and Ohio for three months billing and advertising our cough drops at an expense of $402.53. We put up 5,000 stickers, they cost $3.00 a thousand. We gave out 5,000 advertising pocket mirrors with our advertisement on the back. We had a man painting fences in Western New York. We ad-
44 vertised in the 65th Regiment programmes, in the 74th Regiment programmes; we had 20,000 large bills about 9 by 30 inches in size put up and 50,000 small bills about 4 by 18 inches in size. We advertised in the Star Theatre, the Academy of Music, Lyceum and Court Street Theatre programmes. We had a large amount of special advertising envelopes which we enclosed in each of our invoices and letters so that if they had occasion, (any of our customers, or anyone we were communicating with) to address us, they would use this envelope, which was an advertising envelope, advertising on the face and on the back the original B. & S. cough drop.

I am not able to state exactly the aggregate amount that we spent in money in advertising our cough drops. After we went into business I traveled during the years 1891, 1892, 1893 and part of 1894, in New York, Pennsylvania and Eastern Ohio. I myself was on the road in the sale of our cough drops five days out of the week during the years I have mentioned. We also put out some book covers and some panels as an advertisement. These panels were fancy cards in high colors. We also put out some paper bags. We advertised for the years 1893 and 1894 in the trade journals and papers I have spoken of. In the year 1891 we sold 122 boxes of cough drops, each box containing 40 packages. In 1892 we sold 1,080 boxes. Our inventory on January 1st, 1894, was destroyed before it was entered on our books, so that I am unable to give the number of boxes sold in 1893, as distinguished from 1894. The aggregate sales
45 of 1893 and 1894 were 11,569 boxes. We also sold a similar penny package of these cough drops, began to sell them in 1893. It is a duplicate of our five-cent box. We sold 9,741 boxes, 100 packages to the box of the penny packages, in 1893 and 1894. I am acquainted with the firm of Smith Brothers of Poughkeepsie. I have known them as a firm since 1882. We sold that firm goods on July 24th, 1893, October 14th, 1893, March 5th, 1894, June 13th, 1894, October 13th, 1894.

(Witness is shown an envelope.)

That is the envelope that we used in our business up to 1896 or 1897; that is the envelope we used for enclosing all our invoices, letters, drafts, statements and all correspondence during the years 1891, 1892, 1893 and 1894. I bought the stationery, and never bought any other envelopes than these, and never provided during those years any other envelopes for the business than that.

(Paper offered in evidence.)

Objected to by counsel for defendant as irrelevant, and that it is by indirection proving a fact that is incompetent.

By PLAINTIFFS' COUNSEL: I didn't offer it for the purpose of proving that.

By DEFENDANT'S COUNSEL: If the counsel states that it is not offered for the purpose of proving it came to our notice, then I don't object to it.

By the COURT:

Q. You consent to that?

46 By PLAINTIFFS' COUNSEL: I do.

Received in evidence, marked Plaintiffs' Exhibit "D."

Exhibit "D" is an unused envelope with printing thereon as follows:

(Here follows facsimile marked p. 47.)

EL: If the counsel states that it is not
oving it came to our notice, then I don't

that?
OUNSEL: I do.

ked Plaintiffs' Exhibit "D."
envelope with printing thereon as fol-

facsimile marked p. 47.)

(FRONT OF ENVELOPE.)

IF NOT DELIVERED IN TEN DAYS RETURN TO

BURT & SINDELE,
Manufacturing Confectioners
AND SHOW CASES.
79 Main Street, Buffalo, N. Y.

The Original B. & S. Cough Drops are a Positive Cure for Coughs, Colds and Sore Throat.

Note B. & S. on Both Sides of Drop.

Once Tried Always Used.

(BACK OF ENVELOPE.)

THE ORIGINAL

COUGH **B. & S.** DROPS

AND

Fruit Tablets

ARE

The Purest and Best

MADE.

48 In January, 1895, some papers were served upon me in a suit brought by Smith Brothers of Poughkeepsie. Previous to the time these papers were served we had never received any communication in any way from Smith Bros. in reference to our using the letters "B. & S." We had never received from them in any way any communication in reference to our manufacturing cough drops, or any objection to the style of package in which they were put up, or anything of the kind.

Plaintiffs offer in evidence certified copy of the bill of complaint with exhibits verified January 12, 1895, in the action in the United States Circuit Court, Northern District of New York, entitled "William W. Smith, complainant, *vs.* Alfred H. Burt & Joseph J. Sindele, defendants;" the writ of subpœna, the defendant's appearance, the withdrawal of appearance by *by* solicitor for complainant, the appearance of Seward Davis for the complainant, the answer, the replication, the order for preliminary injunction, the preliminary injunction, the notice of appeal, petition for appeal, bond on appeal, assignment of errors and citation; the mandate of the United States Circuit Court of Appeals, and order on mandate dismissing bill, the affidavit and order amending the order dismissing the bill in that case.

Mr. QUACKENBUSH: I object to the receipt of the order for the preliminary injunction, and all that follows that, because it does not contain the notice of motion and affidavits upon which the order for the preliminary injunction was based, and which is recited in the order, and is therefore incompetent, irrelevant and immaterial.

Objection overruled.

49 Above record offered, and received in evidence, and marked plaintiffs' Exhibit "E."

STATEMENT OF RECORD EXHIBIT "E."

Bill.

United States Circuit Court, Northern District of New York. In Equity.

WILLIAM W. SMITH, Complainant,

vs.

ALFRED H. BURT and JOSEPH J. SINDELE, Defendants.

To the Honorable the Judges of the Circuit Court of the United States, in and for the Northern District of New York:

1. William W. Smith, a citizen of the State of New York, residing and doing business at Poughkeepsie in said State, under the name of Smith Brothers, brings this his bill of complaint against Alfred H. Burt and Joseph J. Sindele, citizens of the State of New York, residing at Buffalo in said State of New York, and carrying on business as partners under the firm name of Burt & Sindele, at Nos. 113 and 115 Seneca street, in said City of Buffalo.

2. And thereupon your orator complains and says that since the year 1873, your orator has been located and doing business at Poughkeepsie, New York, and that during said time and until the
50 twenty-first day of October, 1894, said business was conducted as a copartnership by your orator and your orator's brother, the late Andrew Smith, under the firm name of Smith Brothers, said business having consisted in the manufacture and sale of cough drops. That for more than eighteen years the said drops have been of the general appearance as follows: color, black; form circular; about three-quarters of an inch in diameter; flattened on both sides—one side, however, being somewhat rounded—and being about one-quarter of an inch in thickness, having stamped upon one side thereof a star with five points surrounded by a ring at a short distance therefrom, and on the other side stamped "S. B." in heavy letters, with a bar above and below the letters; that said stamps upon the faces of said drops have been for eighteen years and more past adopted and used by Smith Brothers as their trade-mark for said drops.

3. That said cough drops have been put during more than eight years past in pasteboard boxes about three and one-half inches long, about two inches wide, and about three-quarters of an inch thick, provided with folding ends. The top of each of said boxes has contained, in connection with the representations of the busts of Smith Brothers, the following words and letters:

"SMITH BROTHERS'
S. B.
COUGH DROPS
S. B.
STAMPED ON EACH DROP.
POUGHKEEPSIE,
N. Y.
TRADE MARK."

51 That on the bottom of each box has been printed the following:

"All persons troubled with Coughs, Colds, Hoarseness, Sore Throat, etc., will find immediate relief by using these drops. Public Speakers, Singers, etc., are invited to try them. One of these drops put in the mouth before going to bed, loosens the phlegm and causes the patient to enjoy a comfortable night's sleep."

That upon each of the two ends has been printed "5 cents," and on one of the sides has been printed "Price 5 cents," and on the other side have been printed the words "Cough Drops;" that the lettering, directions, and the cuts representing Smith Brothers have been printed upon said boxes in black upon a white ground. That at all times, from the commencement of Smith Brothers' business down to the present time, they manufactured cough drops of the form specified, and placed them upon the market in boxes having the peculiar letter-

ing and representations thereon above specified, and that they adopted such peculiar stamping upon the cough drops themselves and the cuts representing the busts of two men and the letters "S. B." as their trade-mark, together with the peculiar label and form of printing upon said boxes, a sample of which is annexed to this bill and marked "Schedule Smith Brothers' Box;" that said trade-marks and the said peculiar form of label were different from any which had ever before been used to designate cough drops or cough syrups, or other analogous remedies; that the said trade-mark and peculiar form of label, and said peculiar words and representations and
52 cuts have been universally known and recognized as indicating that articles having such trade-marks or labels were made by Smith Brothers; and that said peculiar form of label, the trade-mark "S. B." and the trade-mark consisting of the representation of the busts of two men became and ever since have been valuable property rights and a protection to purchasers of cough drops and similar remedies made by Smith Brothers, and that said peculiar form of label and the said peculiar letters "S. B." and the representation of the busts of two men have become and are the trade-marks and exclusive property of your orator, and that your orator is entitled to the sole and exclusive use and benefit thereof, and that he is entitled to recover for damages or profits which have resulted or accrued from the infringement of your orator's said rights.

4. And your orator further says that Smith Brothers have at all times insisted upon their said trade-marks and their exclusive right to said peculiar label, and that they have notified the public thereof; that the said trade-marks and peculiar form of label have become universally known as the property of Smith Brothers and your orator, and have been almost universally respected until the infringements herein complained of.

5. And your orator further says that for the purpose of informing the public of Smith Brothers' rights in the premises, and in order that Smith Brothers' title might be made more clear and certain, they caused the said trade-marks to be registered according to the Statutes of the United States, as appears by the certificates
53 of such registration, to wit, certificate No. 20,907, registered March 29, 1892; application filed January 28, 1892; the essential feature of which consists of two bust portraits of male figures representing the Smith Brothers, that is, your orator and the late Andrew Smith, and certificate No. 22,294, registered January 3, 1893; application filed January 28, 1892; the essential feature of which trade-mark consists of the letters "S. B.," as by said original certificates of registration, or duly certified copies thereof, here in court and ready to be produced, will more fully and at large appear, a copy of the statement, declaration and representation of the trade-mark of each of said certificates being hereunto attached and marked respectively "Schedule trade-mark of two bust portraits," and "Schedule trade-mark S. B."

6. And your orator further says that said trade-marks referred to in each of said certificates are adapted to be used and have been used by Smith Brothers in connection with a single package of cough

drops for more than eighteen years in commerce with Canada and other foreign countries, and very extensively throughout the United States; and that your orator is entitled to the exclusive use of said trade-marks applied to cough drops, cough syrup, confectionery and analogous remedies, and that said trade-marks have been used in such commerce in connection with the peculiar label shown in "Schedule Smith Brothers' Box."

7. And your orator further says that the cough drops manufactured and sold by Smith Brothers as aforesaid have been
54 and are of superior quality, and that the said cough drops have been compounded according to your orator's peculiar and exclusive formula, and that the said cough drops have met with great favor as an alleviation of coughs, colds and hoarseness, and that since the time they were first placed upon the market their reputation has steadily increased and demand for them has been more and more from year to year until now your orator's sales amount to more than fifty tons on the average each month.

8. And your orator further shows unto your Honors that said Andrew Smith departed this life on the twenty-first day of October, 1894, leaving your orator as the sole surviving partner of the said firm of Smith Brothers; and that your orator, as such surviving partner, succeeded to the business of said Andrew Smith, and is entitled to sue for and collect all damages that have accrued or arisen on account of the infringements of defendants hereinafter mentioned.

9. And your orator further shows that thereafter, to wit, on the twenty-second day of November, A. D. 1894, the executors of the estate of said Andrew Smith, deceased, made and executed and delivered an assignment to your orator of all the right, title and interest which the said Andrew Smith had at the time of his death, or which his said executors had at the date of said assignment as executors of his last will and testament, in and to the trade marks and trade-mark rights hereinbefore referred to, all which will more fully and at large appear from said assignment, the original
55 of which is here in court and ready to be produced, a copy of which is hereto attached and marked "Exhibit Assignment by Executors of Andrew Smith to William W. Smith;" whereby your orator became and still is the sole and exclusive owner of all the trade-mark rights relating to cough drops acquired by William W. Smith and Andrew Smith during the life of said Andrew Smith, and is entitled to sue for and collect all damages that have accrued or arisen on account of the infringements of defendants hereinafter mentioned.

10. And your orator further shows that heretofore in a suit commenced by Smith Brothers in the Supreme Court of Dutchess County, in the State of New York against James Lutted and Oscar Gemmer for infringement of Smith Brothers' trade-mark "S. B.," said defendants having, in place of the letters "S. B.," used the letters "S. P.," which said defendants stamped upon their cough drops on one side in connection with a star on the reversed side thereof, the issues were joined and a hearing had before his Honor

J. F. Barnard, Justice of said Court, upon the pleadings, proofs and allegations of the parties; that upon February 18, 1882, a decision was rendered in said cause, finding that Smith Brothers were entitled to use, have and enjoy the particular marks stamped upon their drops and adopted by themselves as above described, as and for their trade-mark, and that the drops made by the defendants with the letters "S. P." stamped thereon were an unlawful and wrongful imitation of those made by Smith Brothers, and were in violation of Smith Brothers' rights to their trade-mark aforesaid, and that defendants in said suit, and each of them,
56 were enjoined and restrained from making or selling drops in imitation of those of Smith Brothers having thereon a star, or a star surrounded by a ring, or the letters "S. P." or any similar letters resembling those used by Smith Brothers, and that defendants in said suit were required to pay the plaintiffs their costs in said action, as by a certified copy of said decision and the judgment granted by said court, here in court and ready to be produced, will more fully and at large appear, a copy of said decision and of said judgment being hereunto attached as "Schedule Exhibit Justice Barnard's Decision," and "Schedule Exhibit Supreme Court Judgment," respectively.

11. And your orator further shows that heretofore in a suit commenced by Smith Brothers in the Circuit Court of the United States for the Northern District of Illinois, against Thomas Candy and Albert T. Candy, for infringement of Smith Brothers' trade-mark rights, said defendants having in place of the letters "S. B." upon the cough drops used the letters "T. C." which said defendants stamped upon their cough drops on one side in connection with a star on the reverse side thereof, and said defendants having in place of the busts of two male figures, as shown upon the boxes of Smith Brothers, substituted the representation of the busts of two male figures substantially like those of Smith Brothers, but with some changes in details, a motion for an injunction *pendente lite* was made and a hearing had upon said motion before his Honor, Peter S. Grosscup, Judge of said Court, upon the pleadings, affidavits and exhibits; that upon March 1, 1893, a decision was rendered in said cause, finding that Smith Brothers were entitled to use, have
57 and enjoy the particular marks adopted by themselves, as above described, and as set forth in the certificates of registration hereto attached, and that the drops made by defendants with the letters "T. S." stamped thereon were an unlawful and wrongful imitation of those made by Smith Brothers, and were in violation of said Smith Brothers' rights to their trade-mark aforesaid, and that the boxes used by defendants were an unlawful and wrongful imitation of those made by Smith Brothers, and were in violation of Smith Brothers' right to their trade-mark aforesaid, and the defendants in said suit, and each of them, were enjoined and restrained until further order of the Court from making or selling drops in imitation of those of Smith Brothers, or making or selling or using boxes in infringement of Smith Brothers' trade-mark rights, or so nearly like the boxes used by Smith Brothers as might be calcu-

lated to deceive purchasers as by a certified copy of said decree here in Court and ready to be produced, will more fully and at large appear, a copy of said decree being hereunto attached as "Schedule Exhibit T. Candy & Son Decree."

12. And your orator further shows that Smith Brothers have heretofore in a suit commenced by said Smith Brothers in the Circuit Court of the United States for the Northern District of Illinois, against William H. Vary and Jacob L. Neff for infringement of Smith Brothers' trade-mark rights, said defendants having in place of cough drops sold cough syrup in bottles with a label thereon reading "Smyth Brothers S. B. Cough Syrup. Directions. For adult, Teaspoonful every two hours. When cough is severe,
58 take one-quarter the dose every half hour. Price, 25 Cts. Sold by all druggists." Said bottles being inclosed in pasteboard boxes provided on the front thereof with representations of the busts of said Smith Brothers, in connection with the letters "S. B." a motion for an injunction *pendente lite* was made and a hearing upon said motion had before his Honor Peter S. Grosscup, Judge of said Court, upon the pleadings, affidavits and exhibits; that upon March 1, A. D. 1893, a decision was rendered in said cause finding that Smith Brothers were entitled to use, have and enjoy the particular marks adopted by themselves, as above described and as set forth in the certificates of registration hereto attached; and that the labels upon the boxes were an unlawful and wrongful imitation of those made by Smith Brothers and were in violation of Smith Brothers' trade-mark rights, and that the defendants in said suit, and each of them, were enjoined and restrained until the further order of the Court from making, selling or using labels in imitation of those of Smith Brothers, or in such near resemblance thereto as might be calculated to deceive purchasers, as by a certified copy of said decree, here in Court ready to be produced, will more fully and at large appear, a copy of said decree being hereunto attached as "Schedule Exhibit Vary & Neff Decree."

13. And your orator further shows that Smith Brothers have heretofore in a suit commenced by said Smith Brothers, in the Circuit Court of the United States for the Southern District of Ohio, against George Schuster for infringement of said Smith Brothers' trade-mark rights, said defendant having sold cough drops
59 put up in paper boxes like the boxes, and bearing labels like the labels used by Smith Brothers and described in paragraph 3 of this bill, except that some changes were made in the features of the cuts of the two male figures, and except that in place of "Smith" the word "Schmidt" had been employed, and "S. C." instead of "S. B.," and "Cincinnati, Ohio," instead of "Poughkeepsie, N. Y.," the cough drops made and sold by said defendant, Schuster, having stamped thereon a five-pointed star on one side, and on the other side the letters "R. & N." with a bar below the letters. That in this cause a motion for an injunction *pendente lite* was made and a hearing upon said motion had before his Honor, George R. Sage, Judge of said Court, upon the bill, affidavits and exhibits; that a temporary restraining order was granted by his Honor, Judge Sage,

and thereafter a decision was rendered and a final decree entered in said cause, finding that Smith Brothers were entitled to use, have and enjoy the particular trade-marks adopted by themselves as above described, and as set forth in the certificates of registration, and that the labels upon the boxes of the defendant were an unlawful and wrongful imitation of those made by Smith Brothers, and were in violation of said Smith Brothers' rights, and that defendant in said suit was enjoined and restrained from making selling or using labels in imitation of those of Smith Brothers, or in such near resemblance thereto as might be calculated to deceive purchasers, as by a certified copy of said decree here in court and ready to be produced, will more fully and at large appear, a copy of said decree being hereto attached as "Exhibit Schuster Decree."

60 14. And your orator further shows that heretofore Smith Brothers, in a suit commenced in the Circuit Court of the United States for the District of Maryland, against William H. Smith and George C. Smith for infringement of Smith Brothers' trade mark rights, said defendants having sold cough drops put up in paper boxes like the boxes and bearing labels like the labels used by Smith Brothers and described in paragraph 3 of this bill, except that the cuts of the two male figures were omitted and that there were substituted therefor upon one side a monogram surrounded by a circle, and upon the other a Maltese cross surrounded by a circle, and that instead of the words "Poughkeepsie, N. Y." there were the words "Baltimore, Md.," and there were certain other modifications of the lettering upon said boxes, as will more fully appear from the specimen of said box here in court ready to be produced, a motion was made for an injunction *pendente lite* and a decree was entered thereon by his Honor Judge Morris, Judge of said Court, upon the bill, affidavits and exhibits, and the consent of defendants' counsel, and a decision rendered finding that Smith Brothers were entitled to use, have and enjoy the trade-marks, adopted by themselves as above described, and as set forth in the certificates of registration, and that the boxes of defendants were an unlawful and wrongful imitation of those made by your orators and were in violation of Smith Brothers' trade-mark rights, and enjoining the defendants from making, selling or using labels in imitation of those of Smith Brothers, or in such near resemblance thereto as might be calculated to deceive purchasers, as by a certified copy of said decree here in court and ready to be pro-

61 duced, will more fully and at large appear, a copy of said decree being hereto attached as "Exhibit Smith Brothers' Decree."

15. And your orator further shows that heretofore in a suit commenced by Smith Brothers in the Circuit Court of the United States for the District of Maryland, against Sophia Baquol, for infringement of said Smith Brothers' trade-mark rights, said defendant having sold cough drops put up in paper boxes similar to the boxes used by said Smith Brothers and described in paragraph 3 of this bill, except that the cuts of the male figures were omitted and there were various other changes in the lettering upon said boxes, as will

more fully appear from a specimen of said boxes here in court ready to be produced, a motion for preliminary injunction was made and a decision and decree was rendered by his Honor, Judge Morris, Judge of said Court, upon the bill, affidavits and exhibits, and by consent of the defendant, finding that Smith Brothers were entitled to use, have and enjoy the trade-marks adopted by themselves as above described and as set forth in the certificates of registration, and that the boxes of defendants were an unlawful and wrongful imitation of those made by Smith Brothers, and were in violation of Smith Brothers' trade-mark rights, and enjoining the defendant from making, selling or using labels in imitation of those of said Smith Brothers, or in such near resemblance thereto as might be calculated to deceive purchasers, as by a certified copy of said decree, here in court ready to be produced, will more fully
62 and at large appear, a copy of said decree being hereto attached as "Exhibit Baquol Decree."

16. And your orator shows that heretofore in a suit commenced by Smith Brothers in the Circuit Court of the United States for the Northern District of Illinois, against Frederick Peres and Benjamin Mendelsohn, for infringement of said Smith Brothers' trade-mark rights, said defendants having sold cough drops put up in paper boxes similar to the boxes used by Smith Brothers, and described in paragraph 3 of this bill, except that some changes were made in the features of the cuts of the two male figures, and that in place of "Smith Brothers" the words "Peres & Mendelsohn" had been employed, and "P. & M." instead of "S. B.," and various other changes in the lettering upon said boxes, as will more fully appear from a specimen of said boxes here in court ready to be produced, a motion for an injunction *pendente lite* was made and a hearing upon said motion had before his Honor Romanzo Bunn, Judge of said Court, upon the bill, affidavits and exhibits; that a temporary restraining order was granted by his Honor, Judge Bunn, and thereafter a decision was rendered and a final decree entered in said cause by his Honor, Judge Seamans, finding that Smith Brothers were entitled to use, have and enjoy the particular trade-marks adopted by themselves as above described, and as set forth in the certificates of registration, and that the labels upon the boxes of defendants were an unlawful and wrongful imitation of those made by said Smith Brothers, and were in violation of Smith Brothers' trade-
63 mark rights, and that the defendants in said suit were enjoined and restrained from making, selling or using labels in imitation of those of Smith Brothers, or in such near resemblance thereto as might be calculated to deceive purchasers as by a certified copy of said decree here in court ready to be produced, will more fully and at large appear, a copy of said decree being hereto attached as "Exhibit Peres & Mendelsohn Decree."

17. And your orator further shows that heretofore in a suit commenced by Smith Brothers in the Circuit Court of the United States for the District of Massachusetts against John H. Hero and Butler W. Hero, for infringement of Smith Brothers' trade-mark rights, said defendants having sold cough drops put up in paper boxes

similar to the boxes used by Smith Brothers, and described in paragraph 3 of this bill, except that some changes were made in the features of the cuts of the two male figures, and there were various changes in the lettering upon said boxes, as will more fully appear from a specimen of said boxes here in court ready to be produced, a motion for preliminary injunction was made and a decision and decree was rendered by his Honor Judge Colt, Judge of said Court, upon the bill, affidavits and exhibits, finding that Smith Brothers were entitled to use, have and enjoy the trade-marks adopted by themselves as above described and as set forth in the certificates of registration, and that the boxes of defendants were an unlawful and wrongful imitation of those made by Smith Brothers and were in violation of Smith Brothers' rights, and enjoining the defendants
64 from making, using or selling, directly or indirectly, cough drops purporting to be the cough drops of the complainants, or boxes for enclosing the same for sale, substantially like the boxes used by complainants for enclosing their said cough drops for sale, and from any and every use whatever of any imitation whatsoever of the said cough drops of complainants, and enjoining the defendants from making, selling or using labels in imitation of those of said Smith Brothers, or in such near resemblance thereto as might be calculated to deceive purchasers, as by a certified copy of said decree here in court ready to be produced, will more fully and at large appear, a copy of said decree being hereto attached as "Exhibit Hero & Son Decree."

18. And your orator further shows that heretofore in a suit commenced by Smith Brothers in the Circuit Court of the United States, for the District of Massachusetts, against John F. Bird and Louis A. Bird, for infringement of said Smith Brothers' trade-mark rights, said defendants having sold cough drops put up in paper boxes similar to the boxes used by Smith Brothers, and described in paragraph 3 of this bill, except that some changes were made in the features of the cuts of the two male figures, and that in place of "Smith Brothers" the words "Bird Brothers" had been employed, and "B. B." instead of "S. B.," and various other changes in the lettering upon said boxes, as will more fully appear from a specimen of said boxes here in court ready to be produced, a motion for preliminary injunction was made and a decision and decree was rendered by his Honor, Judge Colt, Judge of said Court, upon the bill, affidavits and exhibits, and by consent of the de-
65 fendants, finding that Smith Brothers were entitled to use, have and enjoy the trade-marks adopted by themselves as above described, and as set forth in the certificates of registration, and that the boxes of defendants were an unlawful and wrongful imitation of those made by Smith Brothers, and were in violation of Smith Brothers' rights, and enjoining the defendants from making, using or selling, directly or indirectly, cough drops purporting to be the cough drops of the complainants or boxes for enclosing the same for sale, substantially like the boxes used by complainants for enclosing their said cough drops for sale, and from any and every use whatever of any imitation whatsoever of the said cough drops

of complainants, and enjoining the defendants from making, selling or using labels in imitation of those of said Smith Brothers, as shown by the exhibits filed therein, or in such near resemblance thereto as might be calculated to deceive purchasers, as by a certified copy of said decree here in Court ready to be produced, will more fully and at large appear, a copy of said decree being hereto attached as "Exhibit Bird Brothers' Decree."

19. And your orator further shows that heretofore in a suit commenced by William W. Smith in the Circuit Court of the United States for the District of New Jersey, against Louis Schwarz and Jacob Schwarz, for infringement of your orator's trade-mark rights, said defendants having made and sold cough drops put up in paper boxes similar to the boxes used by your orator and described in paragraph 3 of this bill, except that some changes were made in the features of the cuts of the two male figures, and that in place of the words "Smith Brothers" the words "Schwarz & Son's" had
66 been employed, and in place of "S. B." a star with the letter "S" in the centre thereof, and various other changes in the lettering upon said box, as will more fully appear from the specimen of said boxes here in court ready to be produced, a motion was made for an injunction *pendente lite* and a decree was entered therein by his Honor Edward T. Green, Judge of said Court, upon the bill, affidavit and exhibits and the consent of defendants' counsel, and a decision rendered finding that William W. Smith was entitled to use, have and enjoy the trade-marks adopted by Smith Brothers, as above described, and as set forth in the certificates of registration, and that the boxes of defendants were —- unlawful and wrongful imitation of those made by your orator, and were in violation of your orator's trade-mark rights, and enjoining the defendants from making, selling or using labels in imitation of those of your orator, or in such near resemblance thereto as might be calculated to deceive purchasers, as by a certified copy of said decree here in court and ready to be produced, will more fully and at large appear, a copy of said decree being hereto attached as "Exhibit Schwarz & Son's Decree."

20. And your orator further says that your orator's exclusive rights in the premises are of very great value in his business, and that the defendants' acts and doings hereinafter mentioned in the infringement of your orator's rights, have caused and are causing your orator great and irreparable pecuniary loss and injury; that the amount of such direct damage and injury to your orator, as your orator verily believes, amounts to more than two thousand
67 dollars, exclusive of interest and costs, and your orator verily believes if continued will amount to many thousands of dollars.

21. And your orator further shows unto your Honors that, notwithstanding his said exclusive possession of said trade-marks and said peculiar label, and in violation of your orator's rights, the defendants herein, well knowing the wrong and injury they were thereby doing unto your orator, have made and sold, and are making and selling, in Buffalo, New York, and elsewhere in the United

States, and for commerce with foreign nations, and are threatening to continue to make in large quantities, cough drops of substantially the color, form and size of the cough drops made and sold by your orator since October 21, 1894, and prior thereto, by Smith Brothers, the cough drops so made and sold by defendants having stamped upon one side thereof the letters "B. & S.," surrounded by a circle, and having upon the other side the letters "B. & S.," with a bar above and below; that said cough drops, stamped in the manner described, have been sold by defendants, as your orator is informed and believes, sometimes in bulk and sometimes, your orator alleges in white paper or pasteboard boxes, substantially identical with the boxes and labels used by your orator, and Smith Brothers, and described in paragraph 3 of this bill. A comparison of the box used by defendants with that of your orator is as follows: Upon each end of the box of defendants is found the words and figure "Price 5 Cents." These identical words are found upon one side of the cough drop box of complainant, and the figure and word "5 Cents" are found upon each end thereof. Upon one side of the box of
68 the defendants are found the words and letters "Cough B. & S. Drops," while upon the corresponding side of the complainant's box are found the words "Cough Drops." Upon the bottom of the box of defendants is found printed matter which is identical in portions with that which is found upon the bottom of the complainant's box. The comparison of the language will be best made by placing them in parallel columns as follows:

Complainant's Box.	Defendants' Box.
All persons troubled with Coughs, Colds, Hoarseness, Sore Throat, Etc., will find immediate relief by using these drops. Public Speakers, Singers, Etc., are invited to try them.	These Cough Drops are the best known remedy for Coughs, Colds, Sore Throat, Hoarseness, Bronchitis, Asthma, Etc. They are absolutely pure and can be used freely without fear. Physicians and Public Speakers recommend them for their curative qualities.
One of these drops put in the mouth before going to bed loosens the phlegm and causes the patient to enjoy a comfortable night's sleep.	One of these Drops placed in the mouth before retiring loosens the phlegm, allays the irritation and insures the patient a comfortable night's sleep.

Upon the front or top of defendants' box, which is characterized by a black circular figure in the centre upon which the letter B & S appear with a bar above and below just as npon complainant's cough drop, there appears the following sentence: "The Only Genuine have the letters B. & S stamped on both sides of the Drop." Upon the complainant's box appears the sentence—"S. B. stamped on each drop." Across one end of defendants' box appears the following phrase: "New Style package adopted 1892."

A sample of defendants' box is annexed hereto and marked "Exhibit Defendants' Cough Drop Box."

69 22. And your orator further alleges upon information and belief that the cough drops made and sold by defendants are of inferior quality and are sold by defendants to dealers and to the trade at a price less than the price at which your orator has sold his cough drops, and that the public have been deceived and induced to believe that the defendants' inferior and unwholesome product is that of your orator, and that the reputation of your orator has been and is being thereby greatly damaged.

23. To the end, therefore, that the defendants may, if they can show cause why your orator should not have the relief hereby prayed, and may make full disclosure and discovery of all the matters aforesaid, but not upon oath, answer under oath being waived, and according to the best and utmost of their knowledge, remembrance, information and belief, full, true, direct and perfect answer make to the matters hereinbefore stated and charged.

24. And that the defendants may be decreed to account for and pay over to your orator the income and profits thus unlawfully derived from the violation of said trade-marks and your orator's exclusive rights in and to the use of the same, and your orator's exclusive rights to the said peculiar label, and be restrained from any further violation of said rights, your orator prays that your Honors may grant a writ of injunction issuing out of and under the seal of this Honorable Court perpetually enjoining and restraining the said defendants, their clerks, attorneys, agents, servants and workmen, from any use in any manner of said trade-marks, or
70 any part thereof, and of said label of your orator in violation of your orator's rights as aforesaid. And that your Honors upon the rendering of the decree above prayed may assess or cause to be assessed in addition to the profits to be accounted for by defendants, as aforesaid, the damages your orator has sustained by reason of said infringement.

25. And your orator further prays that a provisional or preliminary injunction be issued restraining the said defendants from any further infringement of said trade-marks, or any part thereof, and of said label of your orator in violation of your orator's rights as aforesaid, pending this cause, and for such other and further relief as the equity of the case may require, and to your Honors may seem meet.

26. May it please your Honors to grant unto your orator, not only a writ of injunction conformable to the prayer of this bill, but also a writ of subpœna of the United States of America, directed to the said Alfred H. Burt and Joseph J. Sindele, commanding them on a day certain to appear and answer unto this bill of complaint, and to abide by and perform such order and decree in the premises as to the Court shall seem proper, and required by the principles of equity and good conscience.

WILLIAM W. SMITH,
By CHARLES A. BROWN, *Attorney.*

WILLIAM B. HALE,
Solicitor for Compl't and of Counsel,
708 *Wilder Bldg., Rochester, N. Y.*

71 & 72 BARTON & BROWN, *Of Counsel.*

No. 64.
Burtchaell p. 73
v. Smith

PRICE 5 CENTS.

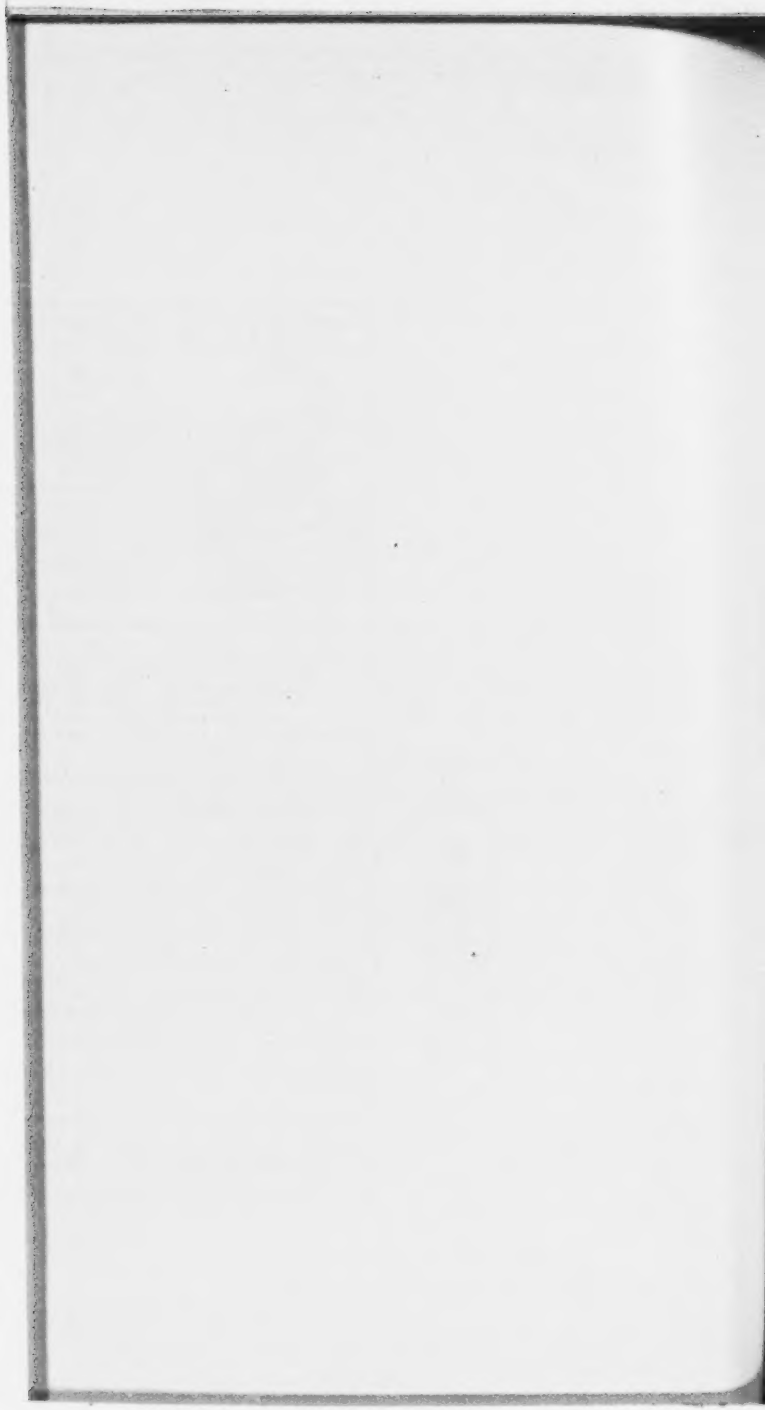
One of these drops put in the mouth before going to bed, loosens the phlegm and causes the patient to enjoy a comfortable night's sleep.

All persons troubled with Coughs, Colds, Hoarseness, Sore Throat, Etc., will find immediate relief by using these drops, Public Speakers, Singers, Etc., are invited to try them.

COUGH DROPS.

5 Cents.

Schedule Smith Brothers' Box.



No 67 Burfeind Smith } p. 75

TRADE-MARK.

SMITH BROTHERS

CONFECTIONERY FOR COUGHS AND COLDS.

No. 20,907. Registered Mar. 29, 1892.

WITNESSES:
L. N. Legendre
C. Sedgwick

Registrants,
Smith Brothers
BY Munn & Co

STATE OF ILLINOIS, *County of Cook, ss:*

Charles A. Brown, being duly sworn, on oath says: That he is attorney for the complainant above named; that he has read the foregoing bill of complaint by him signed and that the same is true of his own knowledge, except as to the matters therein stated to be alleged on information and belief, and as to those matters he believes it to be true.

CHARLES A. BROWN.

Subscribed and sworn to before me this twelfth day of January, A. D. 1895.

W. CLYDE JONES,
Notary Public.

[L. S.]

(Here follows design marked page 73.)

(Here follows design marked page 75.)

76 UNITED STATES PATENT OFFICE.

SMITH BROTHERS, of Poughkeepsie, New York.

Trade-mark for Confectionery for Coughs and Colds.

Statement and Declaration of Trade-mark No. 20,907, Registered March 29, 1892.

Application Filed January 28, 1892.

Statement.

To all whom it may concern:

Be it known that we, Smith Brothers, a firm domiciled in the city of Poughkeepsie, in the county of Dutchess and State of New York, and doing business in said city, have adopted for our use a Trade-Mark of Confectionery for Coughs and Colds, of which the following is a full, clear, and exact specification.

The essential feature of our trade-mark consists of two bust portraits of male figures, representing the Smith Brothers, the registrants. These have generally been arranged as shown in the accompanying fac-simile, in which the name "Smith Brothers" is arranged above the portraits, one portrait being opposite the other. Between the portraits and beneath the name "Smith Brothers" the letters "S. B." are printed, the words "Cough Drops," and letters "S. B." stamped on each drop, and the firm-residence "Poughkeepsie, N. Y.;" but all of the matter, with the exception of the portraits, may be omitted and other matter substituted, or the arrangement of the portraits with reference to the name "Smith Brothers" may be changed, without materially altering the character of the trade-mark, the essential feature of which, as heretofore stated, consists of two bust portraits of male figures, representing the Smith Brothers, the registrants.

This trade-mark has been used continuously in business by us and those from whom we derived our title since the 1st day of January, 1877.

The class of merchandise to which this trade-mark is appropriated is confectionery; and the particular description of goods comprised in such class upon which it is used by us is confectionery for coughs and colds.

It has been our practice to apply the trade-mark by means of suitable labels upon the boxes or other receptacles in which the cough-confectionery is packed.

SMITH BROTHERS,
By WILLIAM W. SMITH.

Witnesses:
ARTHUR G. SMITH.
J. S. VAN CLEEF.

Burkett Sp. 77
Smith

77

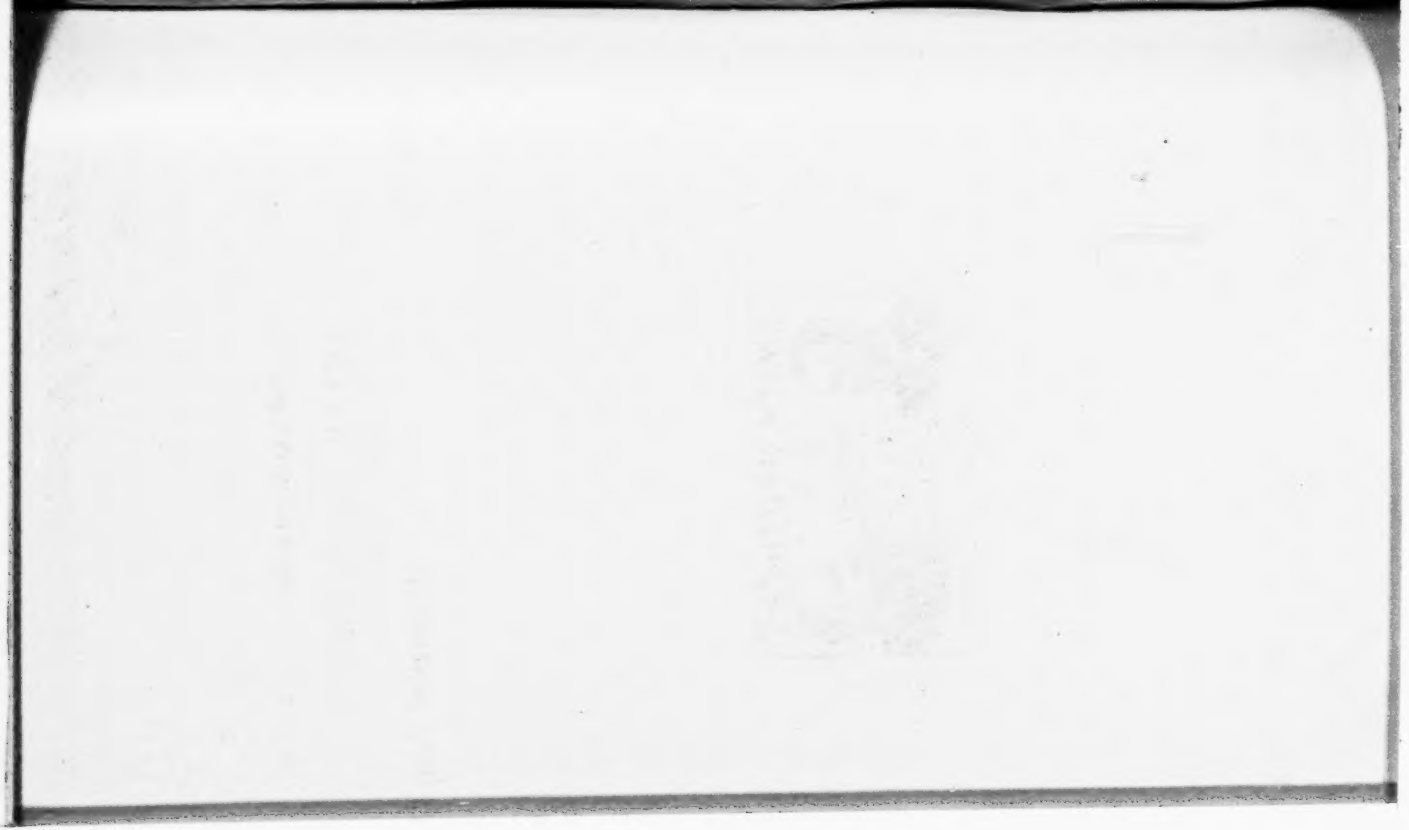
TRADE-MARK.

SMITH BROTHERS
COUGH DROPS.

No. 22,294. Registered Jan. 3, 1893.

WITNESSES:
L. N. Legendre
C. Sedgwick

Proprietors
Smith Brothers
BY Munn & Co



Declaration.

STATE OF NEW YORK, *County of Dutchess, ss:*

William W. Smith, a member of the firm of Smith Brothers and resident of Poughkeepsie, New York, being duly sworn, deposes and says that said firm is the applicant named in the foregoing statement; that he verily believes that the foregoing statement is true; that said firm has at this time a right to the use of the trade-mark therein described; that no other person, firm or corporation has the right to such use, either in the identical form or in any such near resemblance thereto as might be calculated to deceive; that said trade-mark is used by said firm in commerce between the United States and Canada; that the description and fac-similes presented for record truly represent the trade-mark sought to be registered, and that he is a citizen of the United States.

WILLIAM W. SMITH.

Sworn to and subscribed before me this ninth day of January, 1892.

J. S. VAN CLEEF,
Notary Public.

[L. S.]

(Here follows design marked page 77.)

78 UNITED STATES PATENT OFFICE.

SMITH BROTHERS, of Poughkeepsie, New York.

Trade-mark for Cough Drops.

Statement and Declaration of Trade-mark No. 22,294, Registered January 3, 1893.

Application Filed January 28, 1892.

Statement.

To all whom it may concern:

Be it known that we, Smith Brothers, a firm domiciled in the city of Poughkeepsie, in the county of Dutchess and State of New York, and doing business in said city, have adopted for our use a Trade-Mark for Cough Drops, of which the following is a full, clear, and exact specification.

The essential feature of our trade-mark consists of the letters "S. B." These have generally been arranged as shown in the accompanying fac-simile beneath the name "Smith Brothers," and between two bust portraits and over the words "Cough Drops." Beneath the words "Cough Drops," the following matter is printed: "S. B. Stamped on Every Drop. Poughkeepsie, N. Y.;" but the name "Smith Brothers," the portraits, the words "Cough Drops," and the matter following the words "Cough Drops" may be omitted and other matter substituted without materially altering the character of the trade-mark, the essential feature of which, as heretofore stated, consists of the letters "S. B."

This trade-mark has been used continuously in business by us and those from whom we derived our title since the 1st of January, 1874.

The class of merchandise to which this trade-mark is appropriated is confectionery; and the particular description of goods comprised in such class on which it is used by us is cough drops.

It has been our practice to apply the trade-mark to the boxes or receptacles containing the goods by means of suitable labels upon which it is printed in color, and the letters "S. B." are likewise produced directly upon the drops.

SMITH BROTHERS,
By WILLIAM W. SMITH,
Member of the Firm.

Witnesses:
ARTHUR G. SMITH.
J. S. VAN CLEEF.

Declaration.

STATE OF NEW YORK, *County of Dutchess, ss:*

Andrew Smith, a member of the firm of Smith Brothers and resident of Poughkeepsie, New York, being duly sworn, deposes and says that said firm is the applicant named in the foregoing statement; that he verily believes that the foregoing statement is true; that said firm has at this time a right to the use of the trade-mark therein described; that no other person, firm or corporation has the right to such use, either in the identical form or in any such near resemblance thereto as might be calculated to deceive; that said trade-mark is used by said firm in commerce between the United States and Canada; that the description and fac-similes presented for record truly represent the trade-mark sought to be registered, and that he is a citizen of the United States.

ANDREW SMITH.

Sworn to and subscribed before me this seventh day of December, 1892.

[L. S.] J. S. VAN CLEEF,
Notary Public.

79 EXHIBIT ASSIGNMENT.

By Executors of Andrew Smith to William W. Smith.

Know all men by these presents, that we, William W. Smith and Rachael Wood, Executors of the last Will and Testament of Andrew Smith late of the city of Poughkeepsie, in the State of New York, deceased, in consideration of One Dollar to us duly paid, and for other good and valuable consideration to us in hand paid by William W. Smith of the City of Poughkeepsie, in said State of New York, do hereby sell, assign, transfer and set over to the said William W. Smith all the right, title and interest which the said Andrew Smith had at the time of his death, or which we as Executors of his last Will and Testament now have in and to the trade-marks heretofore issued to or owned by the said William W. Smith and Andrew Smith as co-partners under the name of Smith Bros., for and relating to the manufacture and sale of Cough Drops known as Smith Bros. Cough Drops and which said trade-marks are particularly specified in two certificates registered in the United States Patent Office under Certificates of Registration No. 20,907 and registered on March 29th, 1892, and Certificate No. 22,294, registered January 3rd, 1893, and in certain bills of complaint in suits brought by said William W. Smith and Andrew Smith in the Circuit Court of the United States against various defendants in the Northern District of Illinois, the Southern District of Ohio, and the Districts of Maryland, Massachusetts and New Jersey, together with the good will of the estate of the said Andrew Smith in and to the same and with the
80 right to the said William W. Smith to manufacture and sell hereafter said cough drops in and under the name of Smith

Bros., and with the right to sell the same in boxes or packages with portraits of the said William W. Smith and Andrew Smith thereon in all respects the same as they were sold during the life time of the said Andrew Smith.

It being the intention hereby to give to the said William W. Smith the same rights and privileges in all that appertains to the form, size, color and appearance of said cough drops and the packages inclosing same, that he would have had and enjoyed if said trade-marks and trade-mark rights had been acquired by him and registered in his name as the sole owner and proprietor thereof.

In witness whereof, we have hereunto set our hands this twenty-second day of November, A. D. 1894.

WILLIAM W. SMITH, *Executor.*
RACHEL S. WOOD, *Executrix.*

STATE OF NEW YORK, *County of Dutchess, ss:*

On this 7th day of December 1894, before me personally came William W. Smith and Rachel Wood, to me known, and known to me to be the executors of the last Will and Testament of Andrew Smith, late of the city of Poughkeepsie, in said County and State, deceased, and the persons described in and who executed the foregoing instrument in writing and severally acknowledged the execution thereof.

CHARLES F. GOSSUM,
Notary Public.

81 SCHEDULE EXHIBIT JUSTICE BARNARD'S DECISION.

Supreme Court, Dutchess County.

WILLIAM W. SMITH and ANDREW SMITH, Co-partners in Business, Composing the Firm of Smith Brothers, Plaintiffs,
against
JAMES LUTTED and OSCAR GEMMER, Co-partners in Business, Composing the Firm of J. Lutted and Company, Defendants.

This case having come on to be tried before me without a jury, and I having heard the proofs and allegations of the parties,

I do hereby find as facts the following:

(1) That the plaintiffs are and have been for many years past co-partners in business under the firm name of Smith Brothers, and doing business at Poughkeepsie, New York.

That for six years or more past they have been engaged in the manufacture and sale of cough drops compounded from a secret known only to themselves.

That said drops are and have been of the general appearance as follows:

Color, black; form, circular; about three-fourths of an inch in diameter; flattened on both sides, and being about one-fourth of an

inch in thickness, having stamped upon one side thereof a
82 star with five points surrounded by a ring at a short distance therefrom, and on the other side the letters S. B. in heavy black letters, with a bar above and below.

That said stamps upon the faces of said drops have been for six years and more past adopted and used by plaintiffs as their trade-mark for said drops.

(2) That the plaintiffs have advertised said drops extensively, and have expended about five thousand dollars in the introduction of the same to the market.

That they are now being extensively used throughout the United States, and pass under the name of S. B.'s.

(3.) That the defendants, James Lutted and Oscar Gemmer, are co-partners in business at Buffalo, New York, under the firm name of J. Lutted and Company.

That knowing the great demand for said drops and their popularity in the market, the defendants as co-partners aforesaid have for several months past and previous to the commencement of this action, been wrongfully imitating the said S. B. drops of the plaintiffs, intending to deceive consumers of the said drops and cause them to purchase defendants' drops, believing them to be the genuine article made by plaintiffs.

(4.) That in pursuance of said wrongful intentions they have made their drops of the same color and about the same size and shape, and of the same general appearance as those of plaintiffs; and in addition thereto have stamped a star similar to that upon the drops of plaintiffs upon one face of their drops; and upon the other have stamped the letters S. P. in large black letters with a bar above and below.

83 That thus stamped the letters strongly resemble the letters used by plaintiffs, especially after the drops have rubbed together in transportation or otherwise.

(5.) That in the case of the plaintiffs the letters "S. B." signify "Smith Brothers," being the name of their firm, while in the case of the defendants the letters "S. P." have no significance, except, perhaps, one designed to further cover their wrongful plans and intentions; and the letters were adopted and used by the defendants because they so closely resembled the letters S. B. both in appearance and sound.

(6.) That the defendants have been selling and offering to sell their said drops to customers of the plaintiff at a less price, intending to deceive the purchasers and consumers of the drops for the profit of defendants.

That such manufacture and sale on the part of the defendants has greatly interfered with and resulted in great damage to the business of plaintiffs, and that they have been greatly injured thereby.

I do find as conclusions of law the following:

(1.) That the plaintiffs are entitled to use, have and enjoy the particular marks stamped upon their drops and adopted by them, as above described, as and for their trade-mark.

That as such it is valuable to them as property and is entitled to the protection of the courts.

(2.) That the drops made by the defendants as above described are an unlawful and wrongful imitation of those made by
84 the plaintiffs, and are in violation of their rights to their trade-mark aforesaid.

(3.) That the said defendants and each of them and their said firm and their employees for them, are hereby perpetually enjoined and restrained from making or selling drops in imitation of those of plaintiffs, or having thereon a star or a star surrounded by a ring, or the letters S. P. or any similar letters resembling those used by the plaintiffs; and that the plaintiffs recover of the defendants their costs in this action, to be taxed by the clerk of this court.

J. F. BARNARD,
Justice of the Supreme Court.

85 SCHEDULE EXHIBIT SUPREME COURT JUDGMENT.

At a Special Term for the trial of issues, held at the Court House in Poughkeepsie, Dutchess County, New York, on the 18th day of February, 1882.

Present: Hon. Joseph F. Barnard, Justice.

WILLIAM W. SMITH and ANDREW SMITH, Co-partners in Business, Composing the Firm of Smith Brothers, Plaintiffs,
against
JAMES LUTTED and OSCAR GEMMER, Co-partners in Business, Composing the Firm of J. Lutted and Company, Defendants.

This action having been this day tried before the Hon. Joseph F. Barnard, Justice, without a jury, and the Justice having made his findings of law and fact—

It is now, on motion of Milton A. Fowler, attorney for the plaintiffs, adjudged and decreed that the plaintiffs recover of the defendants their costs and disbursements, amounting to the sum of seventy-five dollars.

And it is further adjudged and decreed that the plaintiffs are co-partners, doing business at Poughkeepsie, N. Y., and have for six years or more past been engaged in the manufacture of cough drops, which are in color black, in form circular, and about three-fourths of an inch in diameter, having stamped upon one face thereof a star surrounded by a ring, and on the other face the letters "S. B." in heavy block letters.

86 That these said marks were adopted by the plaintiffs, and have been used by them as their *trade-mark*, and the same as such has become their property and of great value.

And it is further adjudged and decreed that the defendants are co-partners in business at Buffalo, N. Y., and as such have designedly imitated the trade-mark of plaintiffs, using the letters "S. P." instead of "S. B.," but otherwise making their drops of the same gen-

eral appearance and have thus wrongfully interfered with the property of plaintiffs in their said trade-mark.

That the drops so made and marked are a violation of said trade-mark.

It is therefore ordered, adjudged and decreed that the defendants and each of them, and their said firm and their employees for them, are hereby perpetually enjoined and restrained from making or selling drops in imitation of those of plaintiffs, or having thereon a star or a star surrounded by a ring, or the letters "S. P." or any similar letters resembling those used by the plaintiffs.

Enter,

J. F. BARNARD.

Endorsed: Supreme Court, William W. Smith and Andrew Smith, co-partners, etc., against James Lutted and Oscar Gemmer, partners, etc. Copy Judgment.

87 SCHEDULE EXHIBIT T. CANDY & SON DECREE.

United States Circuit Court, Northern District of Illinois, Northern Division. In Equity.

WILLIAM W. SMITH and ANDREW SMITH
vs.
THOMAS CANDY and ALBERT T. CANDY.

This cause came on to be heard upon the pleadings, affidavits and exhibits submitted by complainants, and was argued by counsel for complainants, Thomas Candy, one of the defendants, appearing in person, whereupon it is ordered, adjudged and decreed as follows:

That the trade-marks of complainants herein are good and valid trade-marks, and that the envelopes and boxes and cough drops of defendants infringe said trade-marks.

And it is further ordered, adjudged and decreed that an injunction be awarded to restrain the defendants, their servants, workmen, agents and attorneys from making, using or selling, directly or indirectly, cough drops bearing the devices shown by the exhibits and affidavits in this cause, and from making, using or selling, directly or indirectly, boxes or envelopes similar to those shown to have been sold by defendants, or bearing such near resemblance to the packages bearing the trade-mark of complainants as might be calculated to deceive the ordinary purchaser.

(Granted and entered March 1, 1893.)

88 SCHEDULE EXHIBIT VARY & NEFF DECREE.

United States Circuit Court, Northern District of Illinois, Northern Division. In Equity.

WILLIAM W. SMITH and ANDREW SMITH
vs.
WILLIAM H. VARY and JACOB NEFF.

This cause came on to be heard upon the pleadings, affidavits and exhibits submitted by complainants, and was argued by counsel for complainants. Upon consideration thereof it is ordered, adjudged and decreed as follows:

That the trade-marks of complainants herein are good and valid trade-marks, and that the envelopes and boxes of defendants infringe said trade-mark rights of complainants.

And it is further ordered, adjudged and decreed that an injunction be awarded to restrain the defendants, their servants, workmen, agents and attorneys, from making, using or selling, directly or indirectly, cough drops or cough syrup in envelopes or boxes bearing the devices shown by the exhibits and affidavits in this cause, and from making, using or selling, directly or indirectly, cough drops or cough syrup in boxes or envelopes bearing such near resemblance to the packages bearing the trade-marks of complainants as might be calculated to deceive the ordinary purchaser, until the hearing of this cause or until the further order of this Court.

(Granted and entered March 1, 1893.)

89 EXHIBIT SCHUSTER DECREE.

United States Circuit Court, Southern District of Ohio. In Equity.

No. 4602.

WILLIAM W. SMITH and ANDREW SMITH
vs.
GEORGE SCHUSTER.

This cause coming on to be heard upon the bill of complaint and the affidavits and exhibits filed herein, and being argued by counsel for the parties hereto:

The Court, being advised in the premises, finds that the trade-mark of the complainants, as shown by their exhibits hereto, are good and valid trade-marks, and that the boxes and cough drops of the defendant bearing the devices shown by the exhibits filed herein, are infringements of the trade-mark rights of the complainants.

And it is hereby ordered, adjudged and decreed that an injunction issue herein perpetually enjoining and restraining the defendant George Schuster, his agents and servants, and all persons claim-

ing or holding through or under him, from making, using or selling, directly or indirectly, cough drops bearing the devices as shown in the exhibits filed herein, and from making, using or selling cough drops purporting to be the cough drops of the complainants, or boxes enclosing the same for sale, substantially like the boxes, used
90 by complainant for enclosing their said cough drops for sale, and from any and every use whatsoever of any imitation whatsoever of the said cough drops of complainants, or their said boxes for enclosing the same; and so enjoining the use of boxes for the purpose of enclosing cough drops bearing the marks:

SCHMIDT BROTHERS'

S. C.

COUGH DROPS,

S. C.

Stamped on each box,

CINCINNATI,

Ohio.

TRADE MARK.

Together with the busts of two men purporting to be the pictures of said Schmidt Brothers, as shown in the exhibits to the affidavits of William R. Collins, filed herein.

And from all and every imitation of said name Smith Brothers, and from any and every name which is substantially or nearly the same to the eye and ear; and so enjoining the use of any and every collocation or grouping of words and letters which is like that shown upon the boxes of complainants, as shown by their exhibits attached to the bill herein.

And so enjoining any and every use whatsoever of any box for enclosing cough drops which so nearly resembles that used by complainants, as shown by their exhibit filed herein, as to be calculated to mislead incautious persons.

And the damages herein having been agreed upon, reference to a Master Commissioner is waived.

91 It is further ordered, adjudged and decreed that this shall stand as a final decree.

(Copy.)

EXHIBIT SMITH BROTHERS' DECREE.

United States Circuit Court, District of Maryland. In Equity.

WILLIAM W. SMITH and ANDREW SMITH
vs.
WILLIAM H. SMITH and GEORGE C. SMITH.

This cause coming on to be heard upon the pleadings, affidavits and exhibits filed herein and the consent hereto appended.

And the Court being advised in the premises finds that the trade-marks of the complainants, as shown by their exhibits herein, are good and valid trade-marks, and that the boxes of the defendants so far as they bear the monogram "S. B." and the cough drops of the defendants so far as they bear the letters "S. B.," are infringements of the trade-mark rights of the complainants, but that the defendants have not otherwise infringed any of the rights of the complainants and have been guilty of no fraudulent intent

And it is ordered, adjudged and decreed that an injunction
92 issue herein, perpetually enjoining and restraining the defendants, William H. Smith and George C. Smith, their agents, servants and all persons associated with them, from making, using or selling or offering for sale directly or indirectly, cough drops bearing the letters "S. B.," and from making, using or selling or offering for sale cough drops purporting to be cough drops of the complainants; and from making, using, selling or offering for sale boxes enclosing or adapted to enclose cough drops, bearing the letters "S. B.," separate or in monogram, or bearing any portraits; and from any and every use whatever of any imitation whatsoever of the said cough drops of the complainants or their said boxes enclosing the same.

And the damages herein having been agreed upon, reference to a Master is hereby waived.

And it is further ordered, adjudged and decreed that this shall stand as a final decree.

THOS. J. MORRIS, *Judge.*

We consent to the entry of the foregoing final decree.

J. S. VAN CLEEF,
Att'y for Complainants.
BARTON & BROWN,
Solicitors & of Counsel for Complainants.
DAVID STEWART,
Sol'r for Defendants.

(Copy.)

93 EXHIBIT BAQUOL DECREE.

United States Circuit Court, District of Maryland.

In Equity.

WILLIAM W. SMITH ET AL.
vs.
SOPHIA BAQUOL.

This cause coming on to be heard upon the bill of complaint and the affidavit and exhibits filed herein:

And the Court being advised in the premises, finds, upon the consent of the defendant, hereto appended, that the trade-marks of the complainants, as shown by the exhibits herein, are good and valid trade-marks, and that the boxes and cough drops of the defendant bearing the devices shown by the exhibits filed herein are infringements of the trade-mark rights of the complainants;

And it is ordered, adjudged and decreed, this 21st day of February, 1894, that an injunction issue herein, perpetually enjoining and restraining the defendant, Sophia Baquol, her agents and servants, and all persons associated with her, from making, using or selling or offering for sale, directly or indirectly, cough drops bearing the devices as shown in the exhibits filed herein, and from making, using or selling or offering for sale, directly or indirectly, cough drops purporting to be the cough drops of the complainants, and from making, using or selling or offering for sale boxes inclosing or adapted to inclose cough drops substantially like the boxes used by complainants for enclosing their said cough drops for sale,

94 and from any and every use whatever of any imitation whatsoever of the said cough drops of complainants or their said boxes for inclosing the same.

And so enjoining the use of any and every collocation or grouping of words and letters which is like that shown upon the boxes of complainants as shown by their exhibit attached to the bill herein;

And so enjoining any and every use whatsoever of any box for inclosing cough drops which so nearly resembles that used by complainants, as shown by their exhibits filed herein, as to be calculated to mislead incautious persons.

And the damages having been agreed upon reference to a Master is hereby waived.

It is further ordered, adjudged and decreed that this shall stand as a final decree.

THOS. J. MORRIS, *Judge.*

(Copy.)

95 EXHIBIT PERES & MENDELSOHN DECREE.

United States Circuit Court, Northern District of Illinois, Northern Division.

FRIDAY, *April* 20, *A. D.* 1894.

Present: Hon. William H. Seaman, District Judge.

WILLIAM W. SMITH and ANDREW SMITH
vs.
FREDERICK PERES and BENJAMIN MENDELSOHN, Doing Business as Frederick Peres & Co.

In Chancery.

This cause coming on to be further heard upon the bill of complaint and the affidavits and exhibits filed herein, counsel for the respective parties being present, and the Court being further advised in the premises, finds that the trade-marks of complainants, as shown by their exhibits herein, are good and valid trade-marks, and that the boxes of the defendants bearing the devices shown by the exhibits filed herein are infringements of the trade-mark rights of the complainants;

It is ordered, adjudged and decreed that an injunction issue herein perpetually enjoining and restraining the defendants, Frederick Peres and Benjamin Mendelsohn their agents, servants, and all persons claiming or holding through or under them, from making, using or selling, directly or indirectly, boxes for inclosing cough drops substantially like the boxes used by complainants for enclosing their said cough drops for sale, and from any and every use
96 whatever of any imitation whatsoever of the said boxes for enclosing cough drops and so enjoining the use of boxes for the purpose of enclosing cough drops, bearing the marks:

"PERES & MENDELSOHN
P. & M.
COUGH
DROPS,
CHICAGO,
Ill.,"

together with the busts of two men purporting to be the pictures of the said Peres and Mendelsohn, and from any and every imitation of said complainants' box for enclosing cough drops, and any and every collocation or grouping of words or letters which is like that shown upon the boxes of the complainants as shown by their exhibits attached to the bill herein, and so enjoining any and every use whatsoever of any box for enclosing cough drops which so nearly resembles that used by complainants, as shown by their exhibits filed herein, as to be calculated to mislead incautious persons.

It is further ordered, adjudged and decreed, that defendants deliver to solicitors for complainants all the said infringing boxes for enclosing cough drops to be destroyed.

It is further ordered adjudged and decreed that this shall stand as a final decree.

97 EXHIBIT HERO & SON DECREE.

United States Circuit Court, District of Massachusetts. In Equity.

WILLIAM W. SMITH and ANDREW SMITH
vs.
JOHN H. HERO and BUTLER W. HERO.

Final Decree, Jan. 14, 1895.

COLT, *J.*:

This cause coming on to be heard upon the bill of complaint and the affidavits and exhibits filed herein, and it being made to appear to the Court that the bill of complaint herein was taken *pro confesso* for want of appearance and answer on the seventeenth day of September, A. D. 1894, it is now, to wit, January 14, 1895, ordered, adjudged and decreed that the trade-marks of the complainants, as shown by their exhibits herein, are good and valid trade-marks and that the boxes of defendants bearing the devices shown by the exhibits filed herein are infringements of the trade-mark rights of the complainants.

And it is further ordered, adjudged and decreed that an injunction issue herein perpetually enjoining and restraining the defendants, John H. Hero and Butler W. Hero, their agents, servants and all persons claiming or holding through or under them, from making, using or selling, directly or indirectly, cough drops purporting to be the cough drops of the complainants, or boxes for enclosing the same for sale, substantially like the boxes used by com-
98 plainants for enclosing their said cough drops for sale, and from any and every use whatever of any imitation whatsoever of the said cough drops of complainants, or their said boxes for enclosing the same; and so enjoining the use of boxes, for the purpose of enclosing cough drops, bearing the marks:

"DR. H. & S'S
NEW
CHAMPION
COUGH DROP

No Morphine
No Opium
or Antimony.

Dr. J. H. HERO BUTLER W. HERO.

PUT UP IN WESTBORO, MASS."

Together with the busts of two men purporting to be the pictures of said John H. Hero and Butler W. Hero, as shown in the exhibits filed herein.

And from any and every imitation of said name Smith Brothers, and from any and every name which is substantially or nearly the same to the eye and ear; and so enjoining the use of any and every collocation or grouping of words and letters which is like that shown upon the boxes of complainants as shown by their exhibit attached to the bill herein.

And so enjoining any and every use whatsoever of any box for enclosing cough drops which so nearly resembles that used by complainants, as shown by their exhibits filed herein, as to be calculated to mislead incautious persons.

And complainants accepting nominal damages in the sum
99 of one dollar ($1.00), reference to a Master is waived.

It is further ordered, adjudged and decreed that this shall stand as a final decree.

By the Court,

BENJAMIN H. BRADLEE,
Deputy Clerk.

A true copy.
Attest:
BENJ. H. BRADLEE,
Deputy Clerk.

(Copy.)

EXHIBIT BIRD BROTHERS' DECREE.

Circuit Court of the United States, District of Massachusetts.

In Equity. No. 498.

WILLIAM W. SMITH and ANDREW SMITH
vs.
JOHN F. BIRD and LOUIS A. BIRD.

Decree Entered as of October 20, 1894.

COLT, *J.:*

This cause coming on to be heard upon the bill of complaint and the affidavits and exhibits filed herein, and the Court being advised

in the premises, finds that the trade-marks of the complainants, as shown by their exhibits herein, are good and valid trade-marks, and that the boxes of defendants bearing the devices shown
100 by the exhibits filed herein, are infringement of the trade-mark rights of the complainants.

It is ordered, adjudged and decreed, that an injunction issue *nunc pro tunc* as of October 20th, 1894, herein perpetually enjoining and restraining the defendants John F. Bird and Louis A. Bird, their agents, servants and all persons claiming or holding through or under them, from making, using or selling, directly or indirectly, cough drops purporting to be the cough drops of the complainants, or boxes for enclosing the same for sale, substantially like the boxes used by complainants for enclosing their said cough drops for sale, and from any and every use whatever of any imitation whatsoever of the said cough drops of complainants, or their said boxes for enclosing the same; and so enjoining the use of boxes for the purpose of enclosing cough drops, bearing the marks:

"BIRD BROTHERS'
B. B.
COUGH DROPS.

BIRD.

Stamped on each drop,
Lawrence, Mass.

TRADE MARK."

together with the busts of two men purporting to be pictures of said Bird Brothers, as shown in the exhibits filed herein:

And from any and every imitation of said name Smith Brothers, and from any and every name which is substantially or nearly the same to the eye and ear; and so enjoining the use of any
101 and every collocation or grouping of words and letters which is like that shown upon the boxes of complainants as shown by their exhibit attached to the bill herein;

And so enjoining any and every use whatsoever of any box for enclosing cough drops which so nearly resembles that used by complainants, as shown by their exhibit filed herein, as to be calculated to mislead incautious persons.

And the damages herein having been agreed upon, reference to a Master Commissioner is waived.

It is further ordered, adjudged and decreed, that this shall stand as a final decree.

But nothing herein contained shall be construed as preventing the defendants from using their names in their business or on boxes in which cough drops shall be sold.

By the Court,

BENJ. H. BRADLEE,
Deputy Clerk.

We consent to the entry of the foregoing decree, to be entered as of October 20th, 1894.

WILLIAM W. SMITH,
ANDREW SMITH,
By J. S. VAN CLEEF,
Solicitor.

BARTON & BROWN,
Solicitors and of Counsel for Complainants.

JOHN F. BIRD,
LOUIS A. BIRD,
By P. O'LOUGHLIN,
Solicitor for Respondents.

102 EXHIBIT SCHWARZ & SONS DECREE.

United States Circuit Court, District of New Jersey. In Equity.

WILLIAM W. SMITH, Complainant,
vs.
LOUIS SCHWARZ and JACOB SCHWARZ, Defendants.

This cause coming on to be heard upon the bill of complainant, and the affidavits and exhibits filed herein, and being argued by counsel for the parties hereto;

The Court being advised in the premises, finds that the trade-mark- of the complainant as shown by the exhibit hereto, are good and valid trade-marks, and that the boxes and cough drops of the defendants bearing the devices shown by the exhibits filed herein are infringements of the trade-mark rights of the complainants;

And it is hereby ordered, adjudged and decreed that an injunction issue herein perpetually enjoining and restraining the defendants Louis Schwarz and Jacob Schwarz, their agents and servants, and all persons claiming or holding through or under them, from making, using or selling, directly or indirectly, cough drops bearing the devices as shown in the exhibits filed herein, and from making, using or selling cough drops purporting to be cough drops of the complainant, or boxes enclosing the same for sale, substantially
103 like the boxes used by complainant for enclosing his said cough drops for sale, and from any and every use whatsoever of any imitation whatsoever of the said cough drops of complainant or his said boxes for enclosing the same, and so enjoining the use of boxes for the purpose of enclosing cough drops bearing the marks:

Nabry
Burdett } p. 105
Smith

THE ORIGINAL

COUGH B&S DROP

NEW STYLE PACKAGE ADOPTED 1882

MANUFACTURED ONLY BY

BURT & SINDELE,

BUFFALO, NEW YORK, U.S.A.

NOTE. The only Genuine have the Letters B.&S. Stamped on both sides of Drop.

Cough B.&S. Drops

PRICE 5 CENTS

THESE COUGH DROPS

are the best known remedy for Coughs, Colds, Sore Throat, Hoarseness, Bronchites, Asthma, etc. They are absolutely pure, and can be used freely without fear. Physicians and Public Speakers recommend them for their curative qualities.

One of these drops placed in the mouth before retiring loosens the phlegm, allays the irritation and insures the patient a comfortable night's sleep.

PRICE 5 CENTS

THE PUREST & BEST

Exhibit Defendant's Cough Drop Box.

Indorsed: In Equity, No. 6308, United States Circuit Court, Northern Dist. of New York. William

Smith

THE ORIGINAL
COUGH B.&S. DROP
MANUFACTURED ONLY BY
BURT & SINDELE,
BUFFALO, NEW YORK, U.S.A.
NOTE. The only Genuine have the Letters B.& S. Stamped on both sides of Drop.
NEW STYLE PACKAGE ADOPTED 1892.
Cough B.& S. Drops
PRICE 5 CENTS
THESE COUGH DROPS
are the best known remedy for Coughs, Colds, Sore Throat, Hoarseness, Bronchites, Asthma, etc. They are absolutely pure, and can be used freely without fear. Physicians and Public Speakers recommend them for their curative qualities.
One of these drops placed in the mouth before retiring loosens the phlegm, allays the irritation and insures the patient a comfortable night's sleep.
PRICE 5 CENTS
THE PUREST & BEST

Exhibit Defendant's Cough Drop Box.

Indorsed: In Equity, No. 6308, United States Circuit Court, Northern Dist. of New York. William W. Smith vs. Alfred H. Burt et al. BARTON & BROWN, 1450 Monadnock Bldg., Chicago, for Complt.

Bill. Original filed Jan. 21, '1895.

W. S. DOOLITTLE, Clerk.

"SCHWARZ & SON'S
[S]
COUGH DROPS.

☞[S]☜
Stamped on each Drop.

NEWARK,
TRADE N. J. MARK."

together with the busts of two men purporting to be the pictures of said Louis Schwarz and Jacob Schwarz as shown in the exhibit marked "Exhibit Defendants' Cough Drop Boxes," filed herein.

And from all and every imitation of said name Smith Brothers, and from any and every name which is substantially or nearly the same to the eye and ear; and so enjoining the use of any and every collocation or grouping of words and letters which is like that shown upon the boxes of complainant, as shown by his exhibits attached to the bill herein.

And so enjoining any and every use whatsoever of any boxes for enclosing cough drops which so nearly resembles that used by complainant, as shown by his exhibits filed herein, as to be calculated to mislead incautious persons.

104 And the damages having been agreed upon, reference to a Master Commissioner is waived.

Nothing herein contained shall be construed as enjoining the defendants from selling the cough drops made by the complainant.

And it is further ordered, adjudged and decreed that this shall stand as a final decree.

EDW. T. GREEN, *J.*

We hereby consent to the entry of the foregoing decree.
Dated November 20, 1894.

BARTON & BROWN,
Solicitors for Complainant.
MAURICE RAPP,
Solicitor for Defendants.

(Copy.)

(Here follows design marked page 105.)

106 & 107 Following the complaint is a subpœna issued out of the Circuit Court of the United States for the Northern District of New York, and directed to Alfred H. Burt and Joseph J. Sindele, commanding them to answer said bill of complaint, which subpœna was served upon the defendants on the 23rd and 24th days of January, 1895. Thereafter and on March 2nd, the defendants appeared, and upon the withdrawal of William B. Hale, Seward Davis appeared as solicitor for the complainant on February 27, 1895. Subsequently defendants filed their answer to the bill of complaint, which answer is as follows:

Answer.

United States Circuit Court, Northern District of New York.

WILLIAM W. SMITH, Complainant,
vs.
ALFRED H. BURT and JOSEPH J. SINDELE, Defendants.

The Joint and Several Answers of Alfred H. Burt and Joseph J. Sindele, Defendants, to the Bill of Complaint of William W. Smith, Defendant.

These defendants now and at all times hereafter saving and reserving unto themselves and each of them all benefits and advantages of exception which can or may be had or taken to the many errors and uncertainties and other imperfections in the said complain-
108 ant's said bill of complaint contained, for answer thereto or unto so much and such parts thereof as these defendants are advised is or are material or necessary for them to make answer unto, these defendants severally answering, say:

1. They admit that they reside at Buffalo, in said State of New York, and are carrying on business as co-partners, under the firm name of Burt & Sindele, at numbers 113 and 115 Seneca Street, Buffalo.

2. Said defendants admit that since the year 1873 the complainant has been doing business at Poughkeepsie, N. Y., and that for some part of the time said business was carried on as a co-partnership by the complainant and his brother in the business of the manufacture and sale of cough drops, but the defendants have no definite knowledge or information as to what date said partnership began or when it ended; that defendants believe that for some years last past the said Smith Brothers manufactured cough drops with some stamping upon on one side, and which drops had a resemblance in size and shape to those set forth in the second head of the bill of complaint, but the defendants do not know for how long a time they manufactured cough drops of such description, and for greater certainty leave the plaintiff to his proof thereof; and in that behalf the defendants allege upon information and belief that in respect to the size, color and shape and stamping of the complainant's cough drops, as set forth in the bill of complaint, another or other manu-

facturers of cough drops had manufactured cough drops substantially of the same size and color and form, and with
109 similar stamping, except as to the particular letters "S. B." before the complainant and his deceased brother, and defendants are ignorant as to whether those particular letters had been stamped upon cough drops previous to their use by complainants.

3. The defendants further allege that they do not know of their own knowledge for how long past the said Smith Brothers have put up cough drops in boxes of the material and description set forth in the first clause of the third head of the complaint, and they do not know how long the complainant or Smith Brothers have had upon the top of each of the small boxes containing their cough drops any of the words and letters set forth in the second clause of said head third, except that they have known for a number of years past that they had cuts of two male heads and the words Smith Brothers upon the top of their box; the defendants deny that they have or ever had any definite knowledge as to the inscription upon the sides or bottoms of said boxes of the complainants, although they had a general belief and understanding that there were directions printed upon their boxes, as upon all boxes containing cough drops; and that defendants' recollection is that the words "Five Cents" or "Price Five Cents," and also the words "Cough Drops" have been printed upon such of said boxes as they have seen; but these defendants say that they have themselves seen but a comparatively small number of the boxes or packages of the manufacture of Smith Brothers, or which from the inscription thereon they had reason to suppose were manufactured by them, and have not made the matter of
110 their boxes, or the material or size of them, or the inscription or lettering thereon a matter of special observation or study and therefore are ignorant as to the precise facts in respect thereto, or for how long a time they have used boxes of any particular size or shape, or how long they have printed any particular inscription or inscriptions thereon; and further say that they have no definite knowledge or information as to the remaining allegations contained in the third head or count of the complaint, and therefore leave the complainant to his proof thereof, except that they have knowledge that cough drops of the general description set forth in said count have been on sale for several years past in boxes upon which the name "Smith Brothers" was inscribed upon the top of the box (and cuts representing the busts of two men were printed upon the same face of the package; but they deny the allegation that the letters "S. B." were of themselves a trade-mark of the said cough drops, or that the complainant or his firm have had any valuable property rights in said letters, and deny that the letters "S. B." are peculiar letters, or that they are the exclusive property of the complainant, or that he is entitled to the sole use and benefit thereof, or that he is entitled to recover any damages or profits which have resulted or accrued from the use of said letters.

4. And these defendants, further answering severally, say that they do not know and have not been informed, save by the said bill of complaint, whether the allegations in head numbered four, and

also head numbered five of the bill of complaint are true as therein set forth, and leave the complainant to his proof thereof.

111 5. And these defendants further severally say that they or either of them do not know, and have not been informed save by the said bill of complaint, as to the allegations contained in head numbered six of said bill of complaint, except that they admit that upon single packages of cough drops upon which the name "Smith Brothers" appeared there is printed in connection therewith upon the same face of such boxes, so far as the defendants or either of them have seen, the cuts or busts of two male heads.

6. And these defendants, further answering severally, say that they do not know, and have not been informed save by the said complainant's bill of complaint, as to the matters set forth in head numbered seven of said bill of complaint, except that they are informed and believe that cough drops contained in small boxes containing the inscription "Smith Brothers," and the cuts of two male heads, have had a considerable sale for a number of years past.

7. And these defendants, further answering severally, say that they do not know, and are not informed save by said bill of complaint, concerning the allegations contained in the head numbered eight, and also the head numbered nine of the bill of complaint, but are ignorant in respect thereto, and therefore leave the complainant to his proof thereof, and of each of the allegations contained therein.

8. And these defendants further answering, and reserving to themselves all benefit and advantage of exception and objection to the manifest irrelevance and impertinence of the allegations contained in heads numbered 10, 11, 12, 13, 14, 15, 16, 17, 18,

112 19 of said bill of complaint, deny that they have any knowledge or information sufficient to form a belief in respect thereto, and say that they are ignorant of each of the allegations therein set forth and leave the complainant to his proof thereof.

9. And these defendants further answering, severally, and each for himself says, that he denies upon information and belief, each and every of the allegations contained in head numbered twenty of said bill of complaint.

10. The said defendants further answering in respect to the matters set forth in head numbered twenty-one of the complainant's bill of complaint, each for himself says, that he denies that they or either of them have, in violation of the complainant's right, or with knowledge that they were doing any wrong or injury unto the complainant, made and sold cough drops or are making and selling them in Buffalo and elsewhere, and for commerce with foreign nations or otherwise, but admit that in the regular course of business of defendants they are making and selling, and have made and sold cough drops resembling in color, form and size cough drops made and sold during the same period, and for a long period prior thereto, by various persons and firms engaged in the same business, being of the color, form and size of cough drops as generally made and sold by persons and firms engaged in the business of manufacturing and selling cough drops, and that the cough drops which the defendants have made and sold have generally stamped upon one side

thereof the letters "B. & S.," being the initials of the defendants' firm name of Burt & Sindele, and having upon the other side
113 the same letters "B. & S." with a bar above and below; and that a considerable part of the cough drops so manufactured by the defendants in the course of their business as aforesaid, have been sold by them in white paper or pasteboard boxes; but deny that such boxes have been substantially identical with the boxes and labels used by the complainant and Smith Brothers; and further deny that the allegations by way of comparison as to what appears upon the packages in which complainants and defendants have sold their cough drops respectively, is in all respects a correct and accurate statement in respect thereto, except that they admit the directions written upon the bottom of complainant's box and of defendants' box respectively are correctly set forth in said head numbered twenty-one, but deny that they are identical, and particularly deny that upon complainant's or Smith Brothers' cough drops the letters "B. & S." have appeared with a bar above and below or otherwise, or that they have or had any right to the letters "B. & S." or the bars above and below such letters or otherwise, and defendants' beg leave to submit one of the boxes used by the defendants as showing the description thereof and the inscriptions thereon.

And defendants further answering in that behalf, each for himself alleges that the form, size and color of the cough drops manufactured and sold by these defendants are substantially the same as those manufactured and sold by others engaged in the same business, and that they have been so manufactured and sold for many years past, and for a considerable time before these defendants began to manufacture and sell cough drops, and that cough
114 drops of substantially the size, color and description, with the initials of the name of the manufacturer stamped upon one or both sides thereof have been manufactured and sold and were in the market when and before the firm of Smith Brothers began to manufacture cough drops of that size, color and shape, and with stamping thereon, and that the complainant, or the firm of Smith Brothers, have not and never have had any exclusive right or ownership to manufacture and sell cough drops of that or similar description or containing stamping thereon. And further allege in that behalf, that prior to the time when the firm of Smith Brothers began to use white paper or pasteboard boxes for the sale of small quantities of their cough drops, boxes of that material and description, and similar in shape were used by other manufacturers and dealers in cough drops, and also for the sale of confections and other commodities in small packages, and that the stamping of the price upon such boxes by the manufacturer and the offering them for sale with such marking thereon, has been common during all that time, and that the complainant has not, nor had the firm of Smith Brothers any exclusive right to or property in the use of pasteboard boxes of that size or color or description, or to the use of words naming the price thereon, or to the use of printed matter giving directions for the use of the commodity, but that the right thereto is common to all.

11. And these defendants, further answering, severally deny upon information and belief, that the cough drops made and sold by them are of inferior quality, and deny that the public or any part thereof have been deceived or induced to believe that the defendants' 115 product is that of the complainant, and deny that it is inferior and unwholesome, or that the reputation of the complainant has been or is being thereby damaged in any way or to any extent.

12. And these defendants further answering each for himself denies that the said complainant is entitled to the relief or any part thereof in the said bill of complaint demanded; and these defendants and each of them pray the same advantage of his aforesaid answer, as if he had pleaded or demurred to the said bill of complaint; and these defendants and each of them ask leave to be dismissed with his and their reasonable costs and charges in this behalf most wrongfully sustained.

NORRIS MOREY,
Attorney for Defendants,
21 *Erie County Savings Bank Building, Buffalo, N. Y.*

STATE OF NEW YORK, *County of Erie, City of Buffalo, ss:*

Alfred H. Burt, being duly sworn deposes and says: That he is one of the defendants mentioned as co-partners in the foregoing answer, doing business under the firm name of Burt & Sindele in the City of Buffalo, N. Y.; that he has read the foregoing answer and is acquainted with the facts therein stated, and knows the same to be true of his own knowledge, except as to the matters therein stated to be alleged on information and belief, and that as to those matters he believes it to be true, and that he verifies this answer as well 116 for his co-partner Joseph J. Sindele as for himself.

A. H. BURT.

Sworn to before me this 30th day of March, 1895.

JOS. J. GUNNELL,
[L. S.] *Notary Public.*

Indorsed: 6308, U. S. Circuit Court, North. Dist. of New York. William W. Smith, Complainant, against Alfred H. Burt, Joseph J. Sindele, Defendants. Answer. Norris Morey, Attorney for Defendants, Office and P. O. Address, 21 Erie County Savings Bank Buildings, Buffalo, N. Y. Filed, April 1st, 1895. W. S. Doolittle, Clerk.

Thereafter and on May 7, 1895, the complainant filed a replication to the answer.

Then follows the injunction order and injunction as follows:

"At a Term of the Circuit Court of the United States of America for the Northern District of New York, in the Second Circuit, held

at the United States Court House in the City of Utica, on the 8th day of April, A. D. 1895.

117 Present: Hon. A. C. Coxe, Judge.

WILLIAM W. SMITH
vs.
ALFRED H. BURT ET AL.

On reading the bill of complaint and the affidavits heretofore filed in this action and on hearing Seward Davis, Esq., in favor of said motion, and Norris Morey, Esq., opposed, it is

Ordered, that an injunction be awarded to restrain the defendants, their agents, servants and employees from infringing the complainant's trade-mark No. 22,294 by stamping the letters B. & S. upon cough drops sold by them or upon the boxes in which said cough drops are sold. The writ is to issue after five days from the date of this order.

ALFRED C. COXE, *U. S. J.*"

"*Preliminary Injunction.*

"THE UNITED STATES OF AMERICA,
Northern District of New York, ss:

"The President of the United States of America to Alfred H. Burt and Joseph J. Sindele: You and each of you, your and each of your clerks, attorneys, agents, servants and workmen, Greeting:

Whereas, it has been represented to us in our Circuit Court of the United States for the Second Circuit and Northern District of

118 New York, that there was registered in the Patent Office of the United States, in due form of law, by Smith Brothers of Poughkeepsie, New York, on the 3d day of January, 1893, a trade-mark, the essential features of which consisted of the letters "S. B.," as applied to boxes containing cough drops and to the cough drops themselves, numbered No. 22,294, and is a good and valid trade-mark, and that the complainant, William H. Smith, is the exclusive owner of the said trade-mark, and that you, the said Alfred H. Burt and Joseph J. Sindele, have infringed the said trade-mark, and upon the exclusive rights of the complainant under the same, by making and selling boxes and cough drops, to which have been applied the essential features of the said trade-mark, as registered, contrary to the form of the statute in such case made and provided;

Now, therefore, you, the said Alfred H. Burt and Joseph J. Sindele, and each of you, your and each of your agents, servants and employees, are strictly commanded and enjoined under the pains and penalties which may fall upon you and each of you, in case of disobedience, that you forthwith, and until the further order, judgment and decree of this Court, desist from directly or indirectly making, using or vending to others to be used, any cough drops or boxes for the same stamped with the letters B. & S.

Witness, the Honorable Melville W. Fuller, Chief Justice of the United States, at the City of Utica, this 15th day of April, 1895.

W. S. DOOLITTLE, *Clerk.*

119 UNITED STATES OF AMERICA,
Northern District of New York, ss:

I hereby certify that on the 16th day of April, 1895, at Buffalo, N. Y., in my district, I personally served the within writ of original injunction on the within named defendants Alfred H. Burt and Joseph J. Sindele, by showing the same to them with the seal of the Court thereon, and at the same time delivering to and leaving with defendants a true copy thereof.

F. C. PECK,
U. S. Marshal.
J. V. KANE, *Deputy.*"

It further appears from said record that the defendants appealed from said injunction order to the Circuit Court of Appeals, and upon said appeal filed the following assignment of errors:

Assignment of Errors.

United States Circuit Court, Northern District of New York.

WILLIAM W. SMITH
vs.
ALFRED H. BURT and JOSEPH J. SINDELE.

And now come the said Alfred H. Burt and Joseph J. Sindele, the defendants above named by Norris Morey, their attorney, and say for assignment of errors upon the appeal from the injunction
120 order herein, that in the interlocutory order granting an injunction "to restrain the defendants, their agents, servants and employees from infringing the complainant's trade-mark No. 22,294 by stamping the letters B. & S. upon cough drops made and sold by them or upon the boxes in which said cough drops are sold, and in the record — proceedings in respect thereto there are manifest errors, as follows, to wit:

1. That the said action or suit was between citizens of the same State, and that the facts requisite to give this Court jurisdiction are not alleged in the bill or shown upon the motion for the said order.

2. That the Court has no jurisdiction or authority to grant a general injunction, but only to grant such injunction as is authorized by "An Act to Authorize the Registration of Trade-Marks and Protect the Same," enacted by the Congress of the United States March 3, 1881.

3. That it was not shown that any lawful trade-mark of complainant—whether registered or otherwise—has been infringed or violated by defendants.

4. That there was not a lawful registration "of complainant's

trade-mark No. 22,294," which made or gave a lawful right to the complainant in the letters "S. B." as a trade-mark; that such letters were the initials of the name of complainant's firm, and no trade-mark had ever existed in such letters alone and separate from other distinguishing marks, words, busts and figures; and that a right, if complainant had any such right to use the combination of
121 letters, "S. B." by themselves or otherwise, as a trade-mark, would not be violated by the use of the combination "B. & S." whether the latter combination was used separately or in connection with other distinguishing marks, letters or figures.

5. That it did not appear that the label and package used by defendants was so similar in appearance to the complainant's, or to complainant's trade-mark, that it was likely to deceive ordinary purchasers, or that any person had in fact ever been deceived thereby.

6. That it was error to hold that the stamping of the letters "B. & S." by defendants upon the separate cough drops manufactured by them was an infringement of any trade-mark or trade-mark right of the complainant under trade-mark No. 22,294.

And the said defendants Alfred H. Burt and Joseph J. Sindele pray that the order of injunction aforesaid may be reversed, and that they may be restored to all things which they have lost by reason of the granting of the same.

Dated Buffalo, N. Y., April 30, 1895.

NORRIS MOREY,
Attorney for Defendants and Appellants,
21 *Erie County Savings Bank Building, Buffalo, N. Y.*

It further appears from said record that the following decree was entered upon said appeal January 21, 1896:

122 "Ordered and adjudged, that the said order of injunction be, and the same is hereby reversed upon the merits, and the writ of injunction issued upon said order, bearing date April 5, 1895, be, and the same hereby is, vacated."

It further appears from said record that said cause was duly noticed by defendants for trial at Albany for the January Term, 1896, and that the following decree was entered on February 3, 1896, upon complainant's default in said cause:

"Ordered and decreed, that the complainant's bill of complaint in the above entitled action be, and the same hereby is dismissed upon the merits, and that the defendants recover of the complainant their costs to be taxed by the Clerk of this Court."

And the above record was duly certified by William S. Doolittle, Clerk of the District Court.

Plaintiffs offer in evidence certificate made by William S. Doolittle, Clerk of the United States Circuit Court, Northern District of New York, showing that no undertaking was given by the complainant, William W. Smith, in that case on procuring the injunction.

Received and marked Plaintiff's Exhibit "F."

123 EXHIBIT "F."

United States Circuit Court, Northern District of New York. In Equity.

No. 6308.

WILLIAM W. SMITH, Complainant,
vs.
ALFRED H. BURT and JOSEPH J. SINDELE, Defendants.

The undersigned, William S. Doolittle, Clerk of the United States Circuit Court, for the Northern District of New York, doth hereby certify, that he is, and has been since 1890, and prior thereto, Clerk of said Court; and that in said Clerk's Office all papers of record in actions at law, or in equity, including all bonds or undertakings given upon granting orders of injunction, or writs of injunction, are filed; that he has made diligent examination in his office for a bond or undertaking given on behalf of the said complainant, William W. Smith, upon the granting of the order of injunction, or the writ of injunction, in the above entitled action, and has diligently examined the papers in said action, and the record of said action in his office, and that no bond or undertaking upon the granting of the injunction in said action has been filed, or is on file in said office.

In witness whereof, I have hereunto set my hand and affixed my official seal this 7th day of June, A. D. nineteen hundred and one.

[SEAL.] W. S. DOOLITTLE,
Clerk of the United States Circuit Court
in and for the Northern District of New York.

10c. revenue stamp cancelled.

124 Mr. QUACKENBUSH: The court having received the order for the injunction, and it now being before the court, and appearing upon recitals contained in that order, that the order was granted on reading the whole of the complaint, and the affidavits heretofore filed in this action, I move to strike out the order for the injunction and all the subsequent papers on the ground that a necessary part thereof has been omitted from the record produced by the plaintiffs, and that it is incompetent and irrelevant and immaterial, until those papers upon which it was granted appear before the court.

Motion denied. Defendant excepts.

Q. Mr. Burt, how many hands were you employing in your factory in your business in the latter part of 1894, and 1895?

Mr. QUACKENBUSH: That is objected to as incompetent and immaterial.

By the COURT: You claim that is competent on the question of damages?

Mr. BUSHNELL: Yes, sir. I propose to show the number of hands

they were employing, and what effect this injunction had upon the number of hands that they employed; that it resulted largely in a suspension of their business and the discharge of a number of hands.

Objection sustained. Plaintiff excepts.

Q. Mr. Burt, how many brands of cough drops are you familiar with; how many styles of cough drops, different manufacturers?

125 A. The J. L. cough drop, made by James Lutted; W. & S. cough drop, made by Wood & Sellick; W. S. cough drop, made by William Stinard; Wood cough drop, made in Scranton; Van Nort cough drop, made in Scranton; Smith Brothers cough drop, made in Poughkeepsie; D. B. cough drop, made by D. Bacon of Harrisburg; H. H. cough drop, made by Henry Herne; Rexicker cough drop, made by a man by the name of Rexicker here in Buffalo; B. C. Co. cough drop, made by the Buffalo Candy Company; S. & H. cough drop, made by Sibley & Holanwood; H. B. cough drop, made by Hasty Bros. in Richmond, Ind., and others.

Those cough drops have a common color, black. All these I have named are black, they have a common shape; they are a round flat drop, flat on both sides, one side perhaps a little oval with letters on one side, different characters on the other side. Most of them use a star on the reverse side of the drop, some do and some do not. I have seen black cough drops since 1882. Cough drops have been put up in five-cent packages since 1884 or 1885.

We didn't manufacture any of the cough drops after the injunction was served in April. We commenced again to manufacture them in January, 1896. We employed as counsel in that case Mr. Norris Morey of Buffalo. Our sales of the five cent packages of cough drops in 1896 was 1236 boxes. Our sales in 1897 was 6524 boxes.

Q. What effect, Mr. Burt, if any, did the suspension of your business by reason of the injunction have upon the sale of your cough drops?

126 A. Killed them.

From April 16th to January, 1896, we did not sell any of the B. & S. cough drops. After the injunction was dissolved and set aside by the court in January, 1896, I advertised our cough drops again.

Q. What did you then do, Mr. Burt, in the way of advertising?

A. I had printed a small book containing the court decision; I mailed one of those books to every manufacturer and confectioner, every wholesale confectioner, every wholesale druggist and wholesale grocer throughout the United States and Canada. I sent out a man to advertise through the smaller towns. We advertised them very largely in the trade journals. In October, 1896, I had another man through the western part of this State and Pennsylvania and Ohio. We began advertising again in the 65th Regiment, 74th Regiment, Academy of Music, Star Theatre, Lyceum Theatre and Court Street Theatre programs; we purchased 5,000 more advertising mirrors; we put out a large quantity of bills, and advertised on several hundred thousand paper bags and we distributed to the grocers here in

Buffalo. I sold them to them at a nominal price with the advertising on. At the time this suit was commenced against us in 1895, our cough drops were sold in the States of Maine, Massachusetts, Vermont, Rhode Island, Connecticut, New York, Pennsylvania, Ohio, Michigan, Indiana, Illinois, Wisconsin, Minnesota, Iowa, Nebraska, Kansas, Missouri, Texas, West Virginia and the Dominion of Canada. We have several salesmen. In Canada we were selling to
127 the London Drug Co., of London, Evans & Son of Toronto and Montreal, Lyman Brothers Drug Company of Toronto and Montreal; Lyman, Ely & Company and one or two other firms I cannot recall. They were the leading wholesale druggists of the Dominion.

WILLIAM W. SMITH, the defendant, being duly sworn, testified on behalf of the plaintiffs, as follows:

Direct examination by Mr. BUSHNELL:

I live in Poughkeepsie, and am the successor of Smith Brothers, and am the defendant in this case. I was subpœnaed by the plaintiffs to produce the formula from which I made the S. B. Cough Drops. I have not that formula here.

Mr. BUSHNELL: If your Honor please, Mr. Smith has been, as he testifies, subpœnaed to produce his formula. I desire to have that formula and I have suggested to Mr. Quackenbush that these formulas are of course in the nature of property and are valuable to the respective parties. I do not want to disclose publicly Mr. Smith's formula, nor do I care to have ours disclosed. If Mr. Smith will give me his formula in writing it may be marked for identification and both his formula and ours be referred to by counsel without spreading them upon the record, and that is the reason I won't ask Mr. Smith to state here what his formula is if he will give it in writing.

Mr. QUACKENBUSH: I object to any such course of procedure, and object to any evidence being received in any form of Mr. Smith's formula on the ground that it is irrelevant, immaterial to any of the issues in this case, and that to compel him to disclose a secret of his business is to deprive him of a property right without compensation.

128 By the COURT: How can I compel this man to disclose this formula?

Mr. BUSHNELL: I do not suppose you can do it, but they charge us with making an unwholesome cough drop.

By the COURT: If he insist on his objection I cannot compel this man to disclose his formula.

Mr. BUSHNELL: I will raise the question then squarely.

Q. Mr. Smith, what ingredients do you use, and in what proportion are the several ingredients used in the manufacture of your cough drop.

Objected to by defendant's counsel on the ground that the evi-

dence is immaterial, irrelevant, and inadmissible under the pleadings, that the defendant cannot be required to disclose a formula which is a property right, and ought not to be so required as a matter of discretion.

Objection sustained. Plaintiffs except.

Q. What ingredients were you using, and in what proportion were you using the several ingredients or material out of which your cough drops were manufactured prior to the 12th day of January, 1895?

Defendant's counsel makes same objection.

Objection sustained. Plaintiffs except.

ALFRED H. BURT, recalled, testifies as follows, on behalf of plaintiffs:

Direct examination continued by Mr. BUSHNELL:

We sold 418 boxes of the five cent packages of our cough drops in 1895. From September 15th to December is the largest
129 or best part of the season for the manufacturer of these cough drops to supply his trade. They are used largely up to March or April, according to the weather. So we were substantially shut out of our trade, or out of the biggest season for the trade, until September, 1896. Our sales in 1898, of the five cent packages were 3,397 boxes. In 1899, 4,000 boxes; in 1897, 6,524 boxes. Our profits made on the cough drops sold in 1893, and 1894, was $5,094.16. That includes the penny and five cent boxes both. On the five cent boxes alone in 1893 and 1894, we made a profit of $3,973.95, making a profit of about 32 cents on a box. Our drops are made precisely from the same ingredients now, and since 1895, as they were before. In procuring ingredients for our cough drops we buy from the best known importers, or dealers in these goods.

(Paper marked "G" for identification, and shown witness.)

This exhibit "G" for identification is the formula from which our cough drops are made. It shows accurately the ingredients they contain, and the proportion of such ingredients.

Q. Can you state now, Mr. Burt, at what time in 1895, you ceased to manufacture cough drops.

A. At the time that the judgment of the court was served on Mr. Morey he notified me that an injunction had been granted. I should say that was in April.

(Witness shows letter dated April 12, 1895, signed by Barton & Brown.)

I received that letter.

130 Letter dated April 12, 1895, signed by Barton & Brown offered and received in evidence and marked defendants' Exhibit "H."

EXHIBIT "H."

"Barton & Brown, Attorneys and Counselors, 1450 Monadnock Building.

"CHICAGO, *April 12th*, 1895.

"Messrs. Burt & Sindele, Nos. 113-115 Seneca St., Buffalo, N. Y.

"GENTLEMEN: It is of course apparent to you from the decision of Judge Coxe that there is no necessity in going on with the case of William W. Smith against yourselves. We shall, of course, get a final decree against you and a reference to a Master for an accounting, but this will be after considerable expense, and the expense will be fully as great to you as to the complainant. We therefore suggest that the matter be adjusted without the additional expense necessary to go to final hearing with the case. If you are willing to make a statement of the number of boxes that you have sold and the amount of cough drops, we shall advise our client to make an offer of settlement which will be better than you could get after a protracted litigation.

We make this proposition in the interest of both parties and to prevent further waste by way of useless litigation. If we do not get a favorable reply within five days we shall withdraw any suggestion of settlement and proceed at once with proofs for final hearing.

131 We address you instead of your counsel as we do not have Mr. Morey's address.

Yours very truly,

(Signed) BARTON & BROWN."

(Wit-ess shown letter signed Barton & Brown, dated April 22nd, 1895.)

I received that about the time of its date.

Above letter offered and received in evidence and marked Exhibit "I."

EXHIBIT "I."

"CHICAGO, *April 22nd*, 1895.

"Messrs. Burt & Sindele, Nos. 113-115 Seneca St., Buffalo, N. Y.

"GENTLEMEN: Your favor of the 20th is received. You no doubt refer to the service of the injunction papers as having been made within the five days mentioned in ours of the 12th. We had no intention of delaying the service of the injunction. This was a matter rather of form which followed the decision of the Court as a matter of course, and had nothing to do with the further prosecution of the suit, which would consist in taking proofs for final hearing. The proofs will be taken in Chicago and in New York, and the taking of them will involve a large expenditure. Of course the

expense will be mostly paid by you, ultimately, if, as we haven't the slightest doubt, and as you must know yourselves, the final decision is against you.

132 It was to avoid this additional and unnecessary expense of taking proofs and going to a final hearing that we wrote you making the suggestion which we did. In view of your recent letter explaining the delay we have not taken any further steps regarding the matter, but shall have to proceed promptly with the taking of proofs for final hearing unless you advise us that you are prepared to make an offer of settlement, in which case we shall advise our clients, as we have already stated to you, to make terms of settlement which will not only save the expenses of taking proofs for final hearing, but will be more favorable to you than the settlement which we should secure by going to final hearing and getting an accounting of damages and profits.

We beg to call your attention to the fact that the use of the stationery which you are sending out is an infringement of the trademarks of William W. Smith, and a violation of the injunction, for which, as your counsel will no doubt advise you, you are liable for contempt of court.

Yours truly,

(Signed) BARTON & BROWN."

(Defendant's counsel here stipulated that no notice of taking proofs was ever given and no proof ever taken in the action entitled "William W. Smith *vs.* Alfred H. Burt and One" in the United States Circuit Court for the Northern District of New York, upon plaintiffs' counsel stipulating that the appeal was taken May 1st and was pending until the decision of Judge Lacombe.)

133 Wood & Sellick, composed of Mr. Charles Wood & Mr. Sellick, manufacture cough drops which are on open sale in the market, and were in 1895, and are put up in such a package as that shown me. (Witness being shown package.) These packages were used by Wood & Sellick prior to 1895.

(Package shown witness offered and received in evidence and marked plaintiffs' exhibit "J.")

(Original package Exhibit "J." to be submitted to the court upon the argument of the motion for a new trial, or of any appeal from the decision thereof.)

Daniel Bacon of Harrisburg is a manufacturer of cough drops, which cough drops have been on sale in the open market since 1893 or 1894, in packages similar to the one shown me. (Witness being shown package.)

Package referred to offered and received in evidence and marked plaintiffs' Exhibit "K."

(Original package Exhibit "K" to be submitted to the court upon the argument of the motion for a new trial, or of any appeal from the decision thereof.)

Pettit Manufacturing Company manufacture a cough drop which

was on sale in the open market from 1888, or 1890, down to 1896 or 1897, in packages similar to the one shown me. (Witness being shown package.)

Package referred to, offered and received in evidence and marked Exhibit "L."

(Original package Exhibit "L" to be submitted to the Court upon the argument of the motion for a new trial, or of any appeal from the decision thereof.)

134 J. L. Lutted was a manufacturer of cough drops in Buffalo, and his drops from 1884 up to 1895 or 1896, were on sale in the open market in packages similar to the one shown me. (Witness being shown package.)

Package referred to, offered and received in evidence, and marked Plaintiffs' Exhibit "M."

(Original package Exhibit "M" to be submitted to the Court upon the argument of the motion for a new trial or of any appeal from the decision thereof.)

Woods' cough drops are on the open market in that package now, and have been eight or ten years. (Witness being shown package.)

Package referred to, offered and received in evidence, and marked Exhibit "N."

(Original package Exhibit "N" to be submitted to the Court upon the argument of the motion for a new trial, or of any appeal from the decision thereof.)

Six cough drops including one cough drop of the plaintiffs and one of the defendant, one of Woods, one of Wood & Sellick, one of Daniel Bacon's, offered and received in evidence, enclosed in tin box and marked plaintiffs' Exhibit "O."

(Original six cough drops in tin box making up Exhibit "O" to be submitted to the Court upon the argument of the motion for a new trial, or of any appeal from the decision thereof.)

Cross-examination by Mr. QUACKENBUSH:

135 When I worked for Mr. Lutted he manufactured a cough drop stamped "J. L.," and before that one stamped "S. P.," with bars above and below the letters, and a star on the obverse side; that was in 1880 and 1881. I went there in 1882, and cannot swear whether I sold any of them. I am not positive. It is my recollection that he had discontinued making that drop at about the time that I went with him.

Q. You knew that he had to discontinue them because the Supreme Court of this State had decided that he had no right to do it, didn't you?

Mr. BUSHNELL: I object to that as incompetent, irrelevant and immaterial, and not within the issues embraced in this case, and he makes the witness his own upon that subject, and it opens the door for us.

Objection overruled. Plaintiffs except.

A. He told me that Smith Brothers had brought a suit against him and that he had consented to a judgment being taken restraining him from using "S. P."

The package introduced in evidence here was the one used by me when I sold goods for Mr. Lutted, and adopted by Mr. Lutted after the case brought against him by Smith Brothers. Before that he didn't use any package, they were sold only in bulk.

I think I have seen the package used by Smith Brothers of Baltimore. It was when I was in Baltimore. Smith and I were talking over the litigation, and he showed me one of the packages. He said they were not using them, they were using some other style of package.

136 Q. Did he also tell you he had been restrained from using them in an action brought by Smith Brothers of Poughkeepsie?

Objected to by plaintiffs' counsel as incompetent, irrelevant and immaterial.

Objected overruled. Plaintiffs except.

A. He did.

When I was talking with Mr. Crump about the form of package, he was familiar with the different packages of cough drops that were on the market, with Smith Brothers' cough drops, and the form of package and printing. I knew how the cough drops were made, their size, shape and color. I knew it was a two ounce package. I didn't know as to the printing. I spoke yesterday of Smith Brothers having bought goods from my firm. This was confectionery, not cough drops.

Q. During the year 1895, you continued your general confectionery business?

A. Yes, sir.

Q. That went on just the same?

A. Yes, sir.

Q. But you discontinued during the period the injunction was in force?

A. Yes, sir.

Q. The manufacture of the cough drops?

A. Yes, sir.

Q. You didn't discontinue your other forms of cough drop?

137 A. No, sir.

Q. It was practicable to use your formula in the manufacture of a cough drop different in size and form than the one stamped "B. & S." wasn't it?

A. That necessitated getting up another drop, and other packages, which would be a considerable expense.

Q. You didn't do that?

A. We didn't.

Q. You didn't seek during the time the injunction was served, or from the time the injunction was served, to manufacture cough drops of the formula of the "B. & S." cough drops?

A. No, sir.

Q. Made no efforts whatever to adopt a different kind of package or a different form or style of drop?

A. As I said before, the expenses attending that would be considerable, would be large, and I didn't do it.

When the action against us in the Circuit Court of the United States for the Northern District of New York was begun by the service of a subpœna on us, I retained Mr. Morey as our counsel.

Q. There came a time in the month of February when Mr. Morey informed you that Mr. Smith had made a motion for an injunction, wasn't there?

A. I don't know as to the dates. Mr. Morey told me he would have to appear at Utica before Judge Coxe on a given date.

Q. In opposition for an application for an injunction?

A. I believe so.

138 Q. And for that purpose you procured the affidavits of 14 different persons to be made, did you not?

A. Yes, sir; I don't know how many different persons, a number of persons

Q. Joseph Crump?

A. Yes, sir.

Q. Your own affidavit?

A. Yes, sir.

Q. The affidavit of Charles Wood?

A. Yes, sir.

Q. The affidavit of Frank F. Sturges?

A. Yes, sir.

Mr. BUSHNELL: I wish to save my rights to object to this evidence, if the Court please, as incompetent and immaterial, and no part of the proper cross-examination of this witness.

By the COURT: It appears as though when you put in this plea of injunction as a substantial part of your case, the rule required that the papers upon which it was founded should also be introduced; that seems to be the rule. I have not found any case in this State right on the point.

Objection overruled. Plaintiffs' counsel excepts.

The affidavit- of Ezra Wentz, Charles F. Van Nort, William P. Lyman, Charles Stoddard, John C. Landscheft, Joseph H. Kautz, Wilmot B. Lake, Joseph F. Knorr, William E. George and George E. Stevens.

I attended court myself on the hearing for the injunction.

139 Judge Coxe heard the arguments of both counsel, Seward Davis of New York, representing Mr. Smith, and Norris Morey, representing us.

By the COURT: If you desire to offer these affidavits at this time, I will receive them.

Mr. QUACKENBUSH: Very well.

By the COURT: I am inclined to think I should exclude your record here, Mr. Bushnell. If you do not offer them I think I shall reverse my ruling on the admission of the record, and exclude it.

Mr. QUACKENBUSH: If your Honor please, I renew my motion to

strike out the order for the injunction and all that followed that in that action, on the ground that the plaintiffs here are required to produce the whole record.

By the COURT: I am still inclined to think we ought to have the whole of this record here, the affidavits on both sides upon which the injunction order was granted.

Mr. BUSHNELL: I understand the Court to rule that if the affidavits are not given in evidence, that the Court will strike out what?

By the COURT: Strike out the record that you offered in evidence. The record of the order for the injunction, and the injunction.

Plaintiffs' counsel duly excepts to the ruling of the Court.

Plaintiffs' counsel asks leave to withdraw from the record the order for injunction, leaving the injunction itself in record, with the proof of service.

Objected to by defendant's counsel.

By the COURT: That motion is denied.

140 Plaintiffs' counsel duly excepts.

Mr. BUSHNELL: Then in deference to the ruling of the Court under the direction of the Court, and for the purpose of avoiding the striking out of the injunction order and injunction from the record, I offer in evidence—your Honor rules we must put in all the affidavits used on the motion.

By the COURT: Yes, the motion for the injunction.

Mr. BUSHNELL: The notice of motion, the affidavit of Anthony J. Schwartz, the affidavit of Carroll J. Seymour, affidavit of Charles D. Haskins, affidavits of Alfred H. Burt, Joseph Crump, Charles Wood, Frank F. Sturges, Ezra Wentz, Charles F. Van Nort, William P. Lyman, Charles Stoddard, John C. Landscheft, Joseph H. Kautz, Wilmot P. Lake, Joseph F. Knorr, William E. George, and George H. Stevens, being from page 63 to page 89 inclusive of the printed transcript of record in the case of William W. Smith against Alfred H. Burt and One, in the United States Circuit Court, Northern District of New York.

Received in evidence.

141 *Notice of Motion.*

United States Circuit Court, Northern District of New York.

WILLIAM W. SMITH, Complainant,
vs.
ALFRED H. BURT and JOSEPH J. SINDELE, Defendants.

In Equity.

To Alfred H. Burt and Joseph J. Sindele, Defendants:

Take notice that upon the bill of complaint in this suit, filed January 21, 1895, and affidavits of Carl J. Seymour and Charles D. Haskins, of which copies are herewith served upon you, the complainant will move for a preliminary injunction at a Special Term of the United States Court, appointed to be held at the United States

Court House at Utica, N. Y., upon the 12th day of February, 1895, at 10 o'clock a. m., or as soon thereafter as counsel may be heard, or before his Honor Judge Alfred C. Coxe, at his chambers, at such time and place, enjoining and restraining you and each of you from using or infringing the said trade-marks or labels of said complainant or any part thereof, in the bill of complaint alleged to constitute an infringement, until the final hearing in this suit.

January 21, 1895.

WILLIAM B. HALE,
Complainant's Solicitor,
708 *Wilder Building, Rochester, N. Y.*

142 BARTON & BROWN,
Of Counsel.

(Endorsed:) Notice of Motion. Filed Feb. 12, 1895. W. S. Doolittle, Clerk.

Affidavit in Behalf of Complainant.

United States Circuit Court, Northern District of New York.

WILLIAM W. SMITH
against
ALFRED H. BURT and JOSEPH J. SINDELE.

STATE OF NEW YORK, *County of Erie, City of Buffalo, ss:*

Anthony J. Schwartz being duly sworn, says: That he is over the age of twenty-one years and a United States Deputy Marshal for the Northern District of New York and resides at Buffalo, N. Y. On the 23rd day of January, 1895, at the corner of Seneca and Wells streets, in the City of Buffalo, he personally served the annexed affidavit of Carl J. Seymour on Alfred H. Burt, one of the defendants herein, by personally delivering to and leaving with said defendant a copy of the same.

He further says that he knew the person served as afore-
143 said to be the person mentioned and described in said affidavit as one of the defendants in this action.

ANTHONY J. SCHWARTZ.

Sworn to before me this 11th day of February, 1895.

E. BUDD,
Notary Public in and for Erie Co., N. Y.

To be Read in a Suit to be Brought

In the Circuit Court of the United States, Northern District of New York. In Equity.

WILLIAM W. SMITH
vs.
ALFRED H. BURT and JOSEPH J. SINDELE.

STATE OF NEW YORK, *County of Erie, City of Buffalo, ss:*

Carl J. Seymour, being duly sworn, says: That he is over the age of twenty-one years and resides in the City of Buffalo, New York; that on the sixteenth day of November, 1894, he went to the store of Burt & Sindele, at Nos. 113 and 115 Seneca street, in Buffalo, aforesaid; that A. H. Burt, one of the firm of Burt & Sindele, stated in deponent's presence and hearing that they, said Burt & Sindele, are engaged in the manufacture of cough drops like those sub-
144 mitted with this affidavit and put up in packages like the one enclosing the cough drops referred to; that they manufacture their cough drops in very large quantities, and that they are handled largely by the drug trade; that they are sold by many of the druggists in the City of Buffalo, and that they ship said cough drops to nearly every city in the United States from Portland, Maine, to San Francisco, California.

Deponent further says, that while in said store of Burt & Sindele, at the retail department, he purchased from a clerk in charge several boxes at five (5) cents each, and also purchased one package at each of the following drug stores in Buffalo, N. Y.

Lyman and Sloan's	No. 239 Main street
Denny and Field's	No. 453 Main street
E. A. Kingston's	No. 1540 Main street
Stoddard Bros.	No. 84 Seneca street

Deponent further says: That said Burt & Sindele advertise their cough drops extensively in the City Directory.

CARL J. SEYMOUR.

Subscribed and sworn to before me this 17th day of December, A. D. 1894.

EDWARD C. BURKHARDT,
Notary Public.

145 United States Circuit Court, Northern District of New York.

WILLIAM W. SMITH
against
ALFRED H. BURT and JOSEPH J. SINDELE.

STATE OF NEW YORK, *County of Erie, City of Buffalo, ss:*

Anthony J. Schwartz, being duly sworn, says: That he is over the age of twenty-one years, and a Deputy United States Marshal for the Northern District of New York, and resides at Buffalo, N. Y. On the 22d day of January, 1895, at the corner of Seneca and Wells street, in the City of Buffalo, he personally served the within affidavit of Charles D. Haskins, on Alfred H. Burt, one of the defendants herein, by personally delivering to and leaving with said defendant a true copy of the same.

He further says that he knew the person served as aforesaid to be the person mentioned and described in said affidavit as one of the defendants in this action.

ANTHONY J. SCHWARTZ.

Sworn to before me this 11th day of February, 1895.

E. B. JUDD,
Notary Public in and for Erie Co., N. Y.

146 United States Circuit Court, Northern District of New York.
In Equity.

WILLIAM W. SMITH
vs.
ALFRED H. BURT and JOSEPH J. SINDELE.

Affidavit of Charles D. Haskins.

STATE OF ILLINOIS, *County of Cook, ss:*

Charles D. Haskins, being duly sworn, on oath says: That he is of mature age, a resident of Brooklyn, Kings County, New York; by occupation an electrical and mechanical engineer, and has given testimony frequently in trade-mark and patent causes on questions of expert opinion as to infringement.

Affiant further says that he is familiar with the packages inclosing cough drops, and with the cough drops sold by complainant herein in large quantities; that these cough drops have become widely known and have an immense sale, due, as affiant is informed and believes, to the excellence of the formula under which they are made, and the uniform and scrupulous care which is exercised in their manufacture.

Affiant further says that he has examined the boxes and cough drops of the defendants herein, of which samples are attached hereto, and has compared them with those of complainant. He finds a decided general similarity between them, a similarity which shows

clearly that the defendants intend to make both their boxes
147 and their cough drops resemble those of complainant, while such differences as exist are evidently designed to enable defendants to escape the charge of infringement. In other words, the defendants clearly purpose imitating the packages and drops of complainant so that they shall deceive purchasers and thus secure for defendants the advantage and benefit of the trade worked up by complainant, but they lack the courage to make their imitation complete in every detail.

So far as the drop is concerned, there is clearly a complete imitation in size, color, form and in the peculiar manner and style of lettering the drop. Even the same letters are used by defendants in stamping their drops as those first stamped upon cough drops by complainant, and even the same device of a bar above and below is resorted to by the defendants.

The package used by defendants does not, as do the drops, copy in precise detail the devices which the complainant makes use of upon cough drops sold by him, but the size, form and color of the package used by the defendants is identical with that of complainant. Upon each end of the box of defendants is found the words and figure "Price 5 Cents."

These identical words are found upon one side of the cough drop box of complainant and the figure and word "5 Cents" are found upon each end thereof. Upon one side of the box of the defendants are found the words and letters, "Cough B. & S. Drops," while upon the corresponding side of the complainant's box are found
148 the words "Cough Drops." Upon the bottom of the box of defendants is found printed matter which will be seen to be identical in portions with that which is found upon the bottom of the complainant's box. The comparison of the language will be best made by placing them in parallel columns as follows:

COMPLAINANT'S BOX.	DEFENDANTS' BOX.
All persons troubled with Coughs, Colds, Hoarseness, Sore Throat, Etc., will find immediate relief by using these drops. Public Speakers, Singers, Etc., are invited to try them.	These Cough Drops are the best known remedy for Coughs, Colds, Sore Throat, Hoarseness, Bronchitis, Asthma, Etc. They are absolutely pure and can be used freely without fear. Physicians and Public Speakers recommend them for their curative qualities.
One of these drops put in the mouth before going to bed loosens the phlegm and causes the patient to enjoy a comfortable night's sleep.	One of these Drops placed in the mouth before retiring loosens the phlegm, allays the irritation and insures the patient a comfortable night's sleep.

The most ingenuity in simulating the complainant's trade-mark is shown by the front or top of the defendants' box, which is characterized by a black circular figure in the centre, upon which

the letters B and S appear with a bar above and below, just as upon the complainant's cough drop. The complainant has the following statement upon the front of his box: "S. B. stamped on each drop." The defendants have the sentence, "The Only Genuine have the Letters B. & S. stamped on both sides of the Drop."

The foregoing very clearly indicates the intention of simulating the drop of the complainant, but in order to explain the difference in design and to fraudulently lead customers to the impression that the box and drop of the defendants are the same as the "S. B."
149 the defendants have called theirs "The Original" and have across the end of the package as an explanation of the difference in form, made the following statement, "New Style Package Adopted 1892." And affiant states that it is impossible for him to conceive any reason for the statement except the fraudulent reason that the defendants intended by this expression to lull any suspicion that might arise in the mind of the purchaser on account of the mere colorable differences between the defendants' and complainant's packages, and lead him to think that the drops were the same as those of Smith Brothers, but that a new style of package had been made use of.

Affiant is, therefore, clearly of opinion that both the cough drops and the boxes of the defendants herein, Messrs. Burt and Sindele, are such near resemblances of the cough drops and package of complainant as are calculated to deceive the ordinary purchaser and lead him to think that he is purchasing the drops of complainant when he is purchasing those of the defendants.

And further affiant saith not.

This affidavit is to be used in support of a motion for a preliminary injunction in a suit about to be brought in the Circuit Court of the United States for the Northern District of New York, in which William W. Smith is complainant, and Alfred H. Burt and Joseph J. Sindele are defendants.

CHARLES D. HASKINS.

Subscribed and sworn to before me this twenty-first day of December, A. D. 1894.

150 GEORGE L. CRAGG,
[L. S.] *Notary Public.*

(Endorsed:)—Affidavit of Charles D. Haskins.—Filed Feb. 12, 1895.—W. S. Doolittle, Clerk.

Defendants' Affidavits.

Affidavit of Alfred H. Burt.

United States Circuit Court, Northern District of New York.

WILLIAM W. SMITH, Complainant,
vs.
ALFRED H. BURT and JOSEPH J. SINDELE.

NORTHERN DISTRICT OF NEW YORK, *ss:*

Alfred H. Burt, being duly sworn, deposes and says: That he is one of the defendants above named; that he is one of the firm of Burt & Sindele, who are the defendants in this action; that said firm commenced the manufacture of cough drops about October, 1891; that the business of the defendants is that of manufacturers of confections; that from the first they have used the initials of the firm as a designation of their goods, and have used "B. & S." as a label on all boxes in which their goods have been put up for market, and that on a large number of the confections which have been manufactured by them they have stamped the letters "B. & S."
151 that they began their business as manufacturers of confections about September, in the year 1891; that a sample of the original paper package in which the cough drops were first put up by defendants in packages sold at retail for five cents is hereto annexed marked "1;" that defendant was dissatisfied with the appearance of this label, and in 1892 he spoke to Mr. Joseph Crump, who was the State agent of the United States Printing Company, and accustomed to making designs for paper packages and labels, and stated to him that he was dissatisfied with the design and wanted something more artistic and a design that would be unique and different from anything on the market, and that deponent wished to get up a satisfactory design that he might have registered as a trade-mark, and that deponent wanted the name of the firm "Burt & Sindele," and their place of business, "Buffalo, New York," to appear as clearly and distinctly as possible upon the face of such new package; that deponent's object was to get a distinctive label and trade-mark which would gain in value by their advertising and use of it in their business; that said Crump replied that he did not think it at all worth while to be to the expense of registering the trade-mark; that it would serve every purpose to have the date of the new label or trade-mark to be printed upon it as part of it, and he suggested that the words "new style package adopted 1892" should be printed across one end of the face of the label or package, as in his opinion the registration served very little purpose except to fix the date when the label had been adopted; that deponent assented to this suggestion, and also suggested that a cut resembling the cough drop itself, with the letters "B. & S." upon it,

would be unique and different from anything deponent had
152 then seen, and would make a design very effective and striking, and handed to said Crump one of the cough drops, and that from these directions the design was produced by said Crump, and his said company manufactured and printed a quantity of the paper packages with said label printed upon them; that deponent had no thought or purpose to imitate the labels of the Smith Brothers, or any other cough drops, but wished to obtain a label which would be distinctive, and, therefore, would grow valuable to the defendants themselves by their use of it; that a copy is hereto annexed, marked 2; that the white paper package printed with black ink was used because of its neatness and economy, and that a large variety of confections produced by other manufacturers are put up in boxes of about that size and shape; and that packages of that size and shape and description and color are in common use for a variety of packages of cheap commodities; that the defendants have done a considerable amount of advertising of said cough drops, and that they have commonly advertised them as the original B. & S. cough drop, manufactured by Burt & Sindele, Buffalo, New York; that in getting up the design deponent had no thought or suspicion that the design indicated, differing in very substantial particular-from the trade-mark and label of Smith Brothers, could be mistaken or confused with those manufactured by Smith Brothers, and which was advertised and sold with their peculiar label, the conspicuous feature of which is the two male heads; and that deponent has never heard or understood that there has been any confusion or any mistake of that kind, or that the packages of defendants' cough
153 drops have ever been sold in large or small quantities for those of Smith Brothers.

Deponent further says, that the shape and size and form of the cough drop itself manufactured by defendants is substantially the same as many other cough drops on the market, and that he has learned that this size, shape and color of cough drop with the name or initials of the manufacturers thereon, was in use before Smith Brothers adopted that style of cough drop; that deponent's partner, Mr. Sindele, is engaged in the manufacturing work of the firm, and that deponent procured the design to be made by Mr. Crump as aforesaid, and that the five cent paper package and the label used thereon were not procured or intended as in any way an imitation of the package or label of Smith Brothers or any other, but was intended as a package and label original and distinctive by advertising and using which the defendants could obtain the benefit of their own particular label and trade-mark, and not otherwise.

ALFRED H. BURT.

Sworn to before me this 12th day of February, 1895.

W. S. DOOLITTLE,
U. S. Cor. Ct. Comr., N. D. of N. Y.

(Annexed to this affidavit are two paper boxes, marked 1 and 2).

(Endorsed:) Affidavit of Alfred H. Burt.—Filed Feb. 12, 1895. W. S. Doolittle, Clerk.

154 United States Circuit Court, Northern District of New York.

WILLIAM W. SMITH, Complainant,
vs.
ALFRED H. BURT and JOSEPH J. SINDELE, Defendants.

NORTHERN DISTRICT OF NEW YORK,
County of Erie, City of Buffalo, ss:

Joseph Crump, being duly sworn, deposes and says: That he resides at the City of Buffalo, Erie County, N. Y.; that he is the state agent for the State of New York of the United States Printing Company; that said company has customers in many States, and does business as hereinafter mentioned with persons engaged in many different kinds of business; that a considerable part of the business of said company is the designing and manufacturing of labels and paper packages for enclosing for said different commodities; that deponent has had a long experience, reaching back about thirty years, in the designing and manufacturing of labels and paper packages; that about the month of October, 1892, the defendant Alfred H. Burt applied to deponent to make for said firm a new design for a paper package for the cough drops which they were then and had been theretofore manufacturing and selling; that said Burt then showed to deponent the package which they had
155 previously been using, and stated that it was not satisfactory to them; that it seemed to him to be a common, cheap looking piece of work; that it looked too much like the work of some cheap job press office, and he wanted something more artistic, and that he wanted a design that would be unique and different from anything on the market; said Burt further said that he wanted the name of the firm Burt & Sindele, and their place, Buffalo, N. Y., U. S. A., to appear as clearly and distinctly as possible upon the face of such new package; that in such conversation said Burt further said that he wanted to have the label and package registered as a trade-mark; that deponent said to him that from his experience he did not think it at all worth while to be to that expense, and that it would serve every purpose to have the date of the new package to be printed upon it as a part of it, and deponent suggested that the words "new style package adopted 1892," should be printed across one end of the face of the package, and this was assented to by said Burt; that in such conversation said Burt suggested that a cut of the cough drop itself, with the letters upon it, would be unique and different from anything upon the market, and might be effective in such a design, and handed deponent one of the cough drops; that thereupon deponent proceeded to make a design for a paper package for the cough drops of Burt & Sindele; that deponent made use of the printed matter which he found upon their previous package, but the design itself was worked out by him in accordance with the wishes so expressed to him by said Burt;

that the package shown to deponent by said Burt as being
156 the one first used by his firm, and the package designed by deponent are hereto annexed and marked "1" and "2" respectively; that the white paper box printed with black ink has been for many years in use as packages for quite a variety of cheap commodities, and this principally for the reason that no other paper package which looks as attractive can be produced for as little money. In the opinion of deponent, at least ninety per cent. of the small paper packages of confections and cough drops sold at five cents a package are put up in this kind of package, to wit, of white paper, with the printed matter in black ink, and of substantially the same size and shape, and that there are quite a range of cheaper commodities which are put up in that kind of package sold at five cents each, and which have printed upon them "price five cents" or "five cents each;" that the five cent inscription is common, so far as deponent knows, to all paper packages of cheap commodities which are sold at the price of five cents, and that deponent does not know of any paper packages of confections or cough drops which are sold or marked at a higher price than five cents each; that so cheap a package, with the printed inscription on it so distinct and readable, and presenting so attractive and satisfactory an appearance, could not be produced for the price at which these can be produced except with the white paper box printed with black ink, and deponent understands and believes this to be the reason why paper packages of that description are in such common use for commodities of this description.

Deponent further says that he has for a number of years been
157 acquainted and familiar with the paper packages for cough drops used by Smith Brothers, containing the name "Smith Brothers" and two male heads upon the face of the box; that the said United States Printing Company has from time to time manufactured large quantities of such paper boxes and labels for said Smith Brothers; that in making new designs deponent's company, in their own interest and that of their clients, are careful to avoid producing designs for labels which resemble any which have been previously in use for similar articles; that no suggestion was made to deponent by said Burt in reference to making said design that it should imitate either the Smith Brothers' package or the package of any other manufacturer of cough drops, but, on the contrary, deponent was expressly requested by said Burt to perfect a design which should be original, and which should not resemble others, because they wished to register it and make it valuable to them by making use of it; that it did not then occur to deponent that there were any of the characteristic features of the design made by him for defendants which resembled, or could be thought to be an imitation of, the characteristic features of the label of Smith Brothers' package of cough drops, and from his own experience in designing and manufacturing labels and paper packages for a great variety of commodities, he is now of the opinion that the characteristic features of the two labels are entirely different and distinct,

and that no one accustomed to buying Smith Brothers' cough drops in reliance upon the appearance of the label would ever be deceived by the appearance of the label and design made by deponent for Burt & Sindele into supposing that it was the same package; that
158 deponent did not then, and does not now, regard the white paper boxes printed upon with black ink, or the words "five cents" printed thereon or the words "cough drops," as being characteristic or identifying marks for any particular brand of cough drops, because they are features which are common to nearly all five cent packages of cough drops.

JOSEPH CRUMP.

Sworn to before me this 5th day of February, 1895.

VINCENT D. RYAN,
Com. of Deeds, Buffalo, N. Y.

Annexed to this affidavit are two paper boxes marked 1 and 2.

STATE OF NEW YORK,
City and County of New York, ss:

Charles Wood, residing at Englewood, New Jersey, but doing business at No. 36 Hudson street, in the City of New York, with Charles H. Selick, under the firm name of Wood & Selick, being duly sworn, says: That in and prior to the month of April, 1872, he was a member of the firm of Wood & Smith, who were doing business at No. 319 Lackawanna avenue, in the city of Scranton, Pennsylvania, as manufacturers and wholesalers of confectionery, and which firm, among other things, was manufacturing after a formula owned by him a cough remedy called and known as "Wood's Cough Drop," which was at that time round and smooth, with no letters, imprint or other device thereon. That in the month of April, 1872, deponent sold to Charles F. Van Nort his entire interest in
159 the business, property, fixtures, tools, implements and book accounts of said firm of Wood & Smith, and also the formula for manufacturing the said "Wood's Cough Drop," and the said Van Nort thereupon formed a co-partnership with deponent's partner, Smith, under the firm name of Van Nort & Smith, which partnership continued the business theretofore conducted by Wood & Smith at Scranton aforesaid down to about the year 1878. That immediately upon selling out his interest to said Van Nort as aforesaid, deponent returned to Poughkeepsie, N. Y., and entered the employment of the firm of Smith Brothers, of which William Smith and Andrew Smith were brothers, and by which firm deponent had been employed prior to his forming the firm of Wood & Smith in Scranton, Pa. That some time in the year 1873, but on what exact date deponent cannot now remember, deponent learned through correspondence with the said Charles F. Van Nort that he, the said Van Nort, had originated and designed a new style or pattern, after which said firm of Van Nort & Smith was making said "Wood's Cough Drop," being a round, flat drop about three-

fourths of an inch in diameter, about one-fourth of an inch in thickness, having one side slightly oval, and thereon in raised letters and characters were the word "Wood" and a bar above and below said word, and on the opposite side a star with five points and a ring or circle around the star. That at deponent's request the said Van Nort sent him, while so, as aforesaid, at the city of Poughkeepsie in the employ of Smith Brothers, samples of said drop so formed, made and stamped, and deponent showed said samples to William Smith and Andrew Smith, members of said firm of
160 Smith Brothers. That prior to deponent's so showing said samples to said members of the firm of Smith Brothers said firm had not made any drops in any way resembling said samples or having thereon any word, letter or device whatever; but that some time afterwards but precisely how long deponent does not remember, said Smith Brothers commenced the manufacture of a cough drop of substantially the same shape and size as said samples, having on one side thereof a star with five points surrounded by a ring or circle, and upon the other or oval side the raised letters "S. B." between two raised bars, so that the only substantial difference in appearance between them and said samples was, that the letters "S. B." were substituted for the word "Wood," and that from that time to the present the said Smith Brothers have continued to manufacture said cough drops in the form described, and the said Van Nort & Smith, and their successors in business, have continued to manufacture and sell cough drops like the said samples with the word "Wood" and the bars thereon.

And deponent further says, that in the year 1884 his present firm of Wood & Selick began the manufacturing and selling of a cough drop of substantially the same size and shape as the "Wood Cough Drop," but having on one side thereof stamped a wheel with six spokes instead of a star, and upon the oval side the raised letters "W. & S." between two raised bars, and that in or about the year 1885 said firm of Wood & Selick began putting up said drops in a paper package or box about three inches and a half in length, about two inches in width, and about three-quarters of an
161 inch in thickness, the color being white, with the words, "W. & S. Cough Drops," "Five Cents," and other matter printed thereon in black.

CHARLES WOOD.

Sworn and subscribed before me this 7th day of February, 1895.

FRANCIS W. JUDGE, JR.,
[L. S.] *Notary Public, N. Y. Co.*

STATE OF PENNSYLVANIA,
County of Lackawanna, City of Scranton, ss:

Before me, the subscriber, a notary public, in and for said county, residing in said city, personally appeared Frank T. Sturges, a resident of said city, who, being duly sworn according to law, doth depose and say: That I was employed for several years, from 1882, on,

by the firm of Smith & Clearwater, doing a general confectionery business, in the City of Scranton, Penn., as a buyer, salesman, shipper &c., that they manufactured a round, flat, black cough drop called and known as "Woods Cough Drop," and for years put them up in different styles and sized packages, and as early as the year 1883, or 1884, did put them up in a white box or package with the words, "Wood's Cough Drops," "Price 5 Cents," and other printed matter thereon, all of said printing being in black letters.

The drop itself was black in color, round and flat, slightly oval on one side, with the word "Wood" stamped in raised letters on the oval side, and with a bar over and under the word "Wood,"
162 and on the other side a star with five points, with a circle or ring around said star.

That the statements herein contained are true, according to the best of my knowledge and belief.

FRANK F. STURGES.

Sworn and subscribed before me this 6th day of February, A. D. 1895.

A. A. CHASE,
[L. S.] *Notary Public.*

STATE OF PENNSYLVANIA,
County of Lackawanna, City of Scranton, ss:

Before me, the subscriber, a notary public, in and for said county, residing in said city, personally appeared Ezra Wentz, who being duly sworn according to law, doth depose and say: That he is a resident of said City of Scranton, and has been for twenty-three years and upwards. Previous to his coming to said city he was in the employ of Smith Brothers, manufacturers of confectionery in the City of Poughkeepsie, in the State of New York. That while in their employ said Smith Brothers manufactured a candy drop called "Smith's Pectoral Drop." Said drop was round and smooth, with no letters or imprint thereon. That when he first came to Scranton, about the year 1871, he worked in company with Charles Wood, for John Carpenter, manufacturer of confectionery, and at that time said Carpenter made the same drop, in round form known and called "Wood's Cough Drop." Wood went into partnership with Thomas G. Smith in 1871, and they made the same drop up to 1872,
163 when Wood sold out his interest in the business to Charles F. Van Nort, and a new partnership was established under the firm name of Van Nort & Smith, for which firm deponent continued to work for several years, and they made the same drop until some time in 1873. Van Nort & Smith then changed the form and style of the drop to the following: Color, black, about three-fourths of an inch in diameter, about one-fourth of an inch thick, flat on both sides, one side being, however, a little oval, and upon which oval side the word "Wood" appeared, with a bar above and below the word "Wood," on the reverse side of drop appeared a star with five points, surrounded by a circle or ring. That about the year 1883, or 1884, deponent was in the employ of Smith & Clearwater, manufac-

turers of confectionery in the said City of Scranton, and they still made the same black, flat cough drop, and the said drop was put up in packages of five pounds, also in five cent box or package, white, with printing or letters in black type, the size of said box or package being about as follows: Size three and a half inches long, about two inches wide, and three-fourths of an inch in thickness, and upon which appeared the words "Wood's Cough Drops," "Price 5 Cents," and other reading matter. Said drop has been continuously manufactured up to the present time, but the style of the package, or box has changed, and the five cent package is now about the following size: four and a half inches long, two inches wide, and three-fourths of an inch thick.

That the statements herein contained are correct and true, according to the best of deponent's knowledge and belief.

EZRA E. WENTZ.

164 Sworn and subscribed before me, this 6th day of February, A. D. 1895.

HARRY C. REYNOLDS,
[L. S.] *Notary Public.*

(Endorsed:) Affidavit. Filed Feb. 12, 1895. W. S. Doolittle, Clerk.

STATE OF PENNSYLVANIA,
County of Lackawanna, City of Scranton, ss:

Before me, the subscriber, a notary public in and for said county, residing in said city, personally appeared Charles F. Van Nort, of said city, who being duly sworn according to law, doth depose and say: That in the month of April, 1872, I bought from Charles Wood, of the firm of Wood & Smith, who were doing business at No. 319 Lackawanna avenue, in said city, his entire interest in the business, which was manufacturing and wholesaling confectionery, consisting of stock of goods, book accounts, fixtures, tools, &c.; also a formula for manufacturing a drop called and known — "Wood's Cough Drop," which at that time was round and smooth, with no letters or imprint thereon. The new firm of Van Nort & Smith was established in April, 1872, and continued in business until the year 1878. Some time in the year of 1873 I visited Thomas Mills & Brothers, of Philadelphia, Pa., manufacturers of confectioners' machines, tools, rolls, &c., when I selected a style and shape for said cough drop, and had said Mills Bros. make rolls for said design, to wit: A round flat drop, being about three-fourths of an inch in diameter, about one-fourth of an inch thick, one side of said
165 drop being slightly oval, and upon which oval side appeared the word "Wood," with a bar above and below said word "Wood;" upon the opposite side of said drop appeared a star with five points and a ring or circle around said star. That the general style and design was originated by me, and used in the manufacture of said drop during my continuance in business, and that I furnished to Charles Wood, then in the employ of Smith Brothers, in the

City of Poughkeepsie, in the State of New York, samples of said drop soon after I adopted it, and I think Smith Bros. adopted said design and style, but instead of the word "Wood" appearing on one side they put the letters "S. B." and in all other respects as to size, shape and style, was and is identical with the style and design originated by me. Since I went out of the business in the year 1878, said drop has been manufactured in the City of Scranton, continuously by Smith & Clearwater and others, down to the present time, retaining the same shape, style and general appearance of the drop as originally designed by me, and that the said drop is still on the market, put up in a white box or package, upon which is printed in black type the following: "Wood's Cough Drops," "Price 5 Cents," and other reading matter. That the statements contained in the foregoing affidavit are true, according to the best of my knowledge and belief.

C. F. VAN NORT.

Sworn and subscribed before me this 6th day of Feb'y, A. D., 1895.

A. A. CHASE,
[L. S.] *Notary Public.*

166 (Endorsed:) Affidavits. Filed Feb. 12, 1895. W. S. Doolittle, Clerk.

COUNTY OF ERIE, *City of Buffalo, ss:*

Circuit Court of the United States, Northern District of New York.

WILLIAM W. SMITH, Complainant,
vs.
ALFRED H. BURT and One, Defendants.

William P. Lyman, Charles Stoddard, John C. Landscheft, Joseph H. Kautz and Wilmot B. Lake, being severally duly sworn, each for himself deposes and says: That he resides in the city of Buffalo, and is and has been for some time past engaged in the business as a retail druggist, and as such in making sales at retail at his drug store in said City of Buffalo; that in the store where he has so done business as salesman there have been kept on sale the cough drop known as Smith Brothers cough drop, and the cough drop known as Burt and Sindele's cough drop, and each of said cough drops have been so on sale and offered for sale in five cent packages, the Smith Brothers package having printed upon the face or cover of the package the words "Smith Brothers S. B. Cough Drop," "S. B." stamped on each drop, Poughkeepsie, New York, and at either end of the face of said package a large and conspicuous head, and upon the face or
167 top of the package in which the Burt & Sindele cough drops were offered for sale were printed the words "The original cough drop," between the words "cough" and "drop" being a cut of a round black object, with the words "B. & S." upon the face of it

in white letters with a white bar above and underneath said letters, and underneath such inscription the words "Manufactured only by Burt & Sindele, Buffalo, New York, U. S. A.," being printed in large conspicuous type; that he has never known of any confusion between said packages so marked and labeled respectively as aforesaid; that persons desiring the Smith Brothers cough drops generally asked for Smith Brothers cough drops, and those desiring the Burt & Sindele cough drops generally asked for the Burt & Sindele cough drops; that the distinguishing features of said Smith Brothers packages are the words "Smith Brothers" at the top thereof in large type, and especially the two large male heads; that nothing resembling either of such features appears on the face or top of the package of Burt & Sindele, but the distinguishing features thereof are entirely distinct and different from those upon the face or top of the Smith Brothers' box, and that from deponent's experience he is of the opinion that any person acquainted with either of said five-cent packages and with the labels and printing thereon would not be at all liable to mistake one for the other; that the mark "Price 5 cents" is not a distinguishing feature, because it appears on a great variety of small packages of similar colors and shape containing other articles and commodities than cough drops; that the white paper package printed upon with black ink similar in shape and size to those in which the cough drops above referred to are put up are in very general
168 use not only for cough drops, but for a great variety of confections and other articles to be sold at a small price, and for which a cheap and neat paper package is desirable, and that packages of that general size and make and description have been in common use as aforesaid for many years.

W. P. LYMAN.
CHAS. STODDARD.
W. B. LAKE.
JOS. H. KAUTZ.
JOHN C. LANDSCHEFT.

Sworn to before me this 11th day of February, 1895.

CHARLES V. NELLANY,
Com. of Deeds, Buffalo, N. Y.

NORTHERN DISTRICT OF NEW YORK,
County of Erie, City of Buffalo, ss:

Joseph F. Knorr, George H. Stevens and William E. George, being severally duly sworn, each for himself, deposes and says: That he has been engaged in the confectioner's business, the said Knorr for about four years, and the said Stevens for about twelve years, and the said George for about twelve years; that he has read the foregoing affidavit of William P. Lyman and others in reference to the five cent paper packages in which Smith Brothers' cough drops are put up and sold, and in which the Burt & Sindele cough drops are put up and sold; that in their business as retail confectioners they have had those cough drops and other cough drops in five cent pack-

ages on sale, that the common price of a package of cough
169 drops is five cents, and that price is almost universally marked thereon in conspicuous letters, and that the statements contained in the foregoing affidavits of William P. Lyman and others, druggists, are true and correct and in accordance with the observation and experience of each of deponents.

JOSEPH F. KNORR.
WM. E. GEORGE.
GEORGE H. STEVENS.

Sworn to before me this 11th day of February, 1895.

CHARLES V. NELLANY,
Com. of Deeds, Buffalo, N. Y.

Cross-examination continued by Mr. QUACKENBUSH:

The advertisements that I mentioned on my direct examination were advertisements covering just our cough drops, not our business generally. The special traveling agents that I mentioned did not solicit for our business generally, nothing but cough drops. The three different men we had were working on cough drops alone. One was through Western New York, Pennsylvania and Ohio. We had out an advertising buggy going through the country. Another we sent East; another man we sent later West; all did nothing but advertise and sell cough drops.

Redirect examination by Mr. BUSHNELL:

Q. Counsel asked you if it would not have been practicable for you to have just dropped the letters B. & S. from your cough drop, and put out cough drops without these letters on.

170 A. It would not. No, sir.

Q. State fully, Mr. Burt, your reasons why it would not have been practicable?

A. Because we would have had to go to the same expense in introducing that cough drop that we had in introducing our old drop, advertising, etc. The sum of money would have been very large, as we had already expended a very large sum of money in advertising our B. & S. cough drops. The expense would have been the same practically in introducing a new one.

Q. Any other reason; what would that expense have been; what would it have consisted of?

A. We would have to begin advertising in the trade journals, and doing a general advertising business, billing towns, and doing our advertising of different kinds the same as we had done for our B. & S. cough drops, to have gained a trade on a new drop, and we already had a very large trade on our B. & S. cough drop.

Q. You may state whether or not, or what the difficulties you would have encountered, would have been in introducing a new cough drop, if you had dropped the letters B. & S.

A. I would have encountered the difficulty of the jobber not buying the goods, not buying a new drop on which there was no

demand. The jobber is averse to buying new goods until a demand for them has been created, and in order to create that demand you must spend a large amount of money in advertising the goods, 171 so that the people, the customers know them, and so that they call for them. Then the retailer will buy them, and the jobber must handle them.

CHARLES F. VAN NORT, being duly sworn on behalf of the plaintiffs, testified as follows:

Direct examination by Mr. BUSHNELL:

I live in Scranton, Pa., and began to manufacture cough drops in 1872. At that time I manufactured a black bullet-shaped cough drop. I purchased Mr. Charles Wood's business at that time. He had manufactured the same kind of a drop for two or three years previous. The cough drops I then manufactured were called "Wood's Cough Drop," and are still manufactured and called Wood's Cough Drops.

(Witness shown Exhibit "N.")

That is the Wood Cough Drop that was manufactured at Scranton—the cough drop not the package. I first saw a flattened cough drop in the year 1875 at Philadelphia, at Mills Bros.', who were manufacturers of confectioners' tools. Among his patterns I found a flat drop with a star on one side, and I decided to have him make me a set of rolls of that pattern, and the word "Wood" on one side and a star on the other side; and he made me these rolls, and I began to manufacture them. The drop with the star on it which I saw at that time at Mr. Mills', Philadelphia, was the same as the star on the back of the cough drop now manufactured by the defendant. Since that time up to 1877, and at intervals since 1882 and 1883, I have manufactured the same cough drop, a black 172 drop with the word "Wood" with a bar above and below on one side and a star with a circle on the other side; after 1882, however, putting on the drop instead of the word "Wood" the word "Van." Smith & Clearwater have manufactured cough drops since 1877, and since the year 1883 have put up the Wood cough drop in this package (referring to Exhibit "N" shown witness). That package has remained substantially unchanged with the exception of the names of the manufacturers. The M. & G. cough drop began to be manufactured by Mahan & Gallagher with the initials "M. & G." on them about 1878. They are still being manufactured, and all these years the drop has had on one side a star and a circle, and on the reverse side it has the M. & G. and the bars.

I know Charles Wood; have known him for 30 years. He was in 1875 employed with Smith Bros. at Poughkeepsie. About June 7th, 1875, I sent to Mr. Wood a sample of this new drop that had "Wood" on one side, and a star and circle on the other. Before the time I got out that drop I never saw the initials or name of any manufacturer or any confectionery manufacturer stamped on his goods.

Q. How long after, if you recollect that you sent those drops was it that you saw the Smith Bros. cough drops with the S. B. on them?

A. Well, I was at their place in 1876, and I recollect seeing them at that time.

By the COURT:

Q. With the S. B. stamped on them?

A. Yes, sir.

CHARLES WOOD, being duly sworn on behalf of the plaintiffs, testified as follows:

173 Direct examination by Mr. BUSHNELL:

I am in the bakers' and confectioners' supply business, and manufacture the W. & S. cough drop. When we started the firm was Wood & Sellic, but it is now a corporation.

Witness shown Exhibit "J."

The W. & S. cough drops have been sold in the open market in that package for about ten or twelve years. We have used this style package, Exhibit "J," for fully ten years. It contains two ounces of cough drops. At Binghamton, N. Y., about 1858, or 1860, I manufactured black, round cough drops.

Q. Do you remember when the flattened cough drop with the name Wood on it, when it was first made?

A. Yes, sir, I had a sample of one.

That was made by Mr. Van Nort, the witness last upon the stand. I don't recollect that I had ever seen a cough drop with the name, or the initials, of the maker on it before I saw the cough drop with the Wood on one side and a star and circle on the other.

(Witness shown letter.)

That is my handwriting, it is written to Mr. Van Nort, and bears date June 7, 1875. At that time I was employed by Smith Bros. at Poughkeepsie. A very short time after that date, June 7, 1895, I received these cough drops, with the word "Wood" on one side and a star and circle on the other side, from Mr. Van Nort. I showed these drops to both of the Smith Brothers, both An-
174 drew and William, the defendant here. At that time, June, 1875, I was in the employ of Smith Bros. I had been in their employ since 1872. I was foreman in the department where cough drops were manufactured. Up to June 7, 1875, they had manufactured a round, black, bullet-shaped cough drop. Prior to June 7, 1875, they had not manufactured any drop with the initials S. B. on it. I can't say exactly how long after June 7, 1875, it was that they commenced to manufacture drops with the initials on them—possibly six months. They got the rollers with which they made these drops with S. B. on them from Mills & Brothers in Scranton or Philadelphia.

ARTHUR D. BACON, being duly sworn on behalf of the plaintiffs, testified as follows:

Direct examination by Mr. BUSHNELL:

I reside at Harrisburg, Pa., and manufacture the D. B. cough drop. These cough drops have been manufactured and sold in the open market for 22 years and for 19 years have been a round, black, flattened drop with the initials D. B. with bars above and below on one side, and a double circle on the other. They are sold in two ounce packages, and have been sold in packages the same as Exhibit "K" shown me for 12 years.

Plaintiffs' counsel offers in evidence letter dated May 21st, 1895, written to Seward Davis, Esq., counselor, No. 120 Broadway, New York City, by Norris Morey.

Letter received in evidence and marked plaintiffs' Exhibit "Q."

175 (Part of Exhibit "Q" read in evidence as follows:)

BUFFALO, N. Y., *May 21st*, 1895.

"SMITH
vs.
BURT & SINDELE."

" Seward Davis, Esq., Counselor, &c., 120 Broadway, New York City.

" DEAR SIR: You favor of the 10th inst. was duly received. We " brought our appeal with a citation May 28th, hoping to get the " appeal heard and argued at that time. As the appeal cannot now " be heard until the October session, and as a considerable part of " the business of the defendants for the coming winter season " will be done before the decision upon the appeal can be " reached and announced, I have drawn and enclose herewith a " stipulation waiving and suspending operation of the injunction " order until the hearing and decision of the appeal. If the injunc- " tion order is left in force until that time, the defendants will be " put to a considerable expense in remodeling their printed matter, " and their labels, to conform to such order, which we should expect " to recover from your client as damages in case our appeal shall " prevail. As I suppose you now have in view mainly the results of " the permanent injunction which you hope to obtain in the action, " I think that you may not care to increase our damages pending " the appeal, and therefore make the suggestion above. In case you

" decline the stipulation we must, of course, conform to the
176 " injunction, and must look to your client to make us good,
" in case we succeed upon our appeal." * * *

Yours truly,
(Signed) NORRIS MOREY."

Plaintiffs' counsel offers in evidence the stipulation which accompanied it.

The same received in evidence and marked plaintiffs' exhibit "R."

EXHIBIT "R."

"United States Circuit Court, Northern District of New York.

WILLIAM W. SMITH
against
ALFRED H. BURT and JOSEPH J. SINDELE.

"An appeal having been taken to the Circuit Court of Appeals "from the temporary injunction heretofore granted in the above "case, dated April 8, 1895, a copy of which has been served upon the "defendants, it is hereby stipulated, that the operation and effect of "said injunction order, and of the writ of injunction issued and "served pursuant thereto, be, and the same is hereby waived and "suspended until the hearing and decision of said appeal.

"Dated May —, 1895.

"____ ____,
"Attorney for Plaintiff.
"____ ____,
"Attorney for Defendants."

177 Plaintiffs' counsel offers in evidence letter written by Seward Davis to Norris Morey, dated May 22, 1895.

Letter received in evidence and marked plaintiffs' Exhibit "S."

(Part of Exhibit "S" here read in evidence as follows:)

"NEW YORK, *May* 22, 1895."

"SMITH
vs.
BURT."

"Mr. Norris Morey, 807 D. S. Morgan Building, Buffalo, New York."

"DEAR SIR: I have yours of May 21, enclosing proposed stipula- "tion, and will forward the same to the counsel in this case for their "consideration." * * *

"Yours very truly,
(Signed) SEWARD DAVIS."

Plaintiffs' counsel offers in evidence letter written by Seward Davis to Norris Morey, dated June 18, 1895.

Letter received in evidence and marked plaintiffs' Exhibit "T."

(Part of Exhibit "T" here read in evidence as follows:)

"NEW YORK, *June 18th,* 1895."

"Mr. Norris Morey, 807 D. S. Morgan Building, Buffalo, New York."

"DEAR SIR: * * *

178 "In my letter of May 22 to you, in reply to yours "of May 21, enclosing proposed stipulation suspending

"operations of preliminary injunctions herein, I wrote you that I "had referred the stipulation to the counsel in this case, Messrs. "Barton & Brown. They write me that Mr. Smith prefers to run "whatever risk there may be in declining to consent to a suspension "of the injunction order." * * *

"Yours very truly,

(Signed) "SEWARD DAVIS."

Deposition of Thomas Mills, Duly Sworn as a Witness on Behalf of the Plaintiffs.

Direct examination read on behalf of the plaintiffs:

I live in Philadelphia, and am now and have been for 35 years engaged in the business of manufacturing confectioner's tools. Beginning in the year 1850, John Gardner, with whom I served my apprenticeship, began to manufacture a roller or die used for making cough drops, which would produce a cough drop circular in shape, about three quarters of an inch in diameter, flat on one side, and a little oval on the other, about one-fourth of an inch thick, with a star on one side surrounded by a circle, and with initials on the other side, with two bars above and below to protect the letters. That is the roller pattern No. 41 in my catalogue. In 1864 I started in business and manufactured these rollers just described whenever I got orders for them. In 1872 we made a cough drop machine,
179 and furnished these rollers just described to Stern & Stein.

On May 25, 1875, I made rollers for Van Nort & Smith exactly the same as those which I have described, except that the word "Wood" was stamped on. Since that time I have continued to manufacture rollers for dies to produce cough drops of about the same description as that I have already given, to anybody who applied for them. On October 9th, 1875, I showed to Mr. Smith of the firm of Smith Bros. of Poughkeepsie, the cough drop made with the word "Wood" on and I told him I could insert either the letters "S. B.," or any other letters, or the whole name "Smith." I told him that this was a stock form the same as the cut advertised in the catalogue, only different initials, which catalogues are sent all over the country. He gave me an order for a number of rollers with "S. B." on. This was the first roller I made for him. Machines similar to the one I have just described have been made by other manufacturers and have been in general use by confectioners and manufacturers of cough drops; that is, machines similar to the one I have described.

HERBERT M. HILL, being duly sworn on behalf of the plaintiff, testified as follows:

Direct examination by Mr. BUSHNELL:

I have practiced chemistry since 1889 and am chemist of the Health Department of the City of Buffalo.

(Witness shown Exhibit "G" for identification.)

A cough drop manufactured from the ingredients and in the proportion shown by this Exhibit "G" would not be unwholesome.

180 Evidence to the same effect as the foregoing evidence of Herbert M. Hill was also given in behalf of the plaintiffs by Dr. Ernest Wende and Dr. William G. Bissell.

Plaintiffs' counsel reads on behalf of the plaintiffs the direct examination from the deposition of GUSTAV A. BUNTE:

I am in the confectionery business as a partner of Bunte Bros. & Spoehr of Chicago, Ill. Prior to 1895 we handled different kinds of cough drops more or less. We were handling Smith Bros.' drops, some of Barrett Bros.' of Rockford, Ill., prior to 1895. We handled the cough drops of Burt & Sindele, but I do not know exactly what year. I heard of an injunction being obtained by Smith against Burt & Sindele preventing their selling their cough drop. I heard afterwards that the injunction had been removed. I do not know exactly the date when I heard it. At the time I first heard of the injunction our firm had some of Burt & Sindele's cough drops on hand. I remember a suit being begun against our firm by William W. Smith. I learned it from my partner, Mr. Spoehr.

Q. How long was that before the papers were served?

Defendant's counsel objects to this evidence as irrelevant and immaterial.

By the COURT: You may make an offer if you desire.

PLAINTIFFS' COUNSEL: What we propose to show by these depositions, and the evidence contained in them, is the fact that about March, 1897, Mr. Smith brought an action in the City of

181 Chicago, in the United States Circuit Court, against the firm of Bunte Bros. & Spoehr, using identically the same complaint with the changing of names, but following the language of the same complaint which had just been dismissed in the Circuit Court here, and asking in that action a permanent injunction against the sale of the cough drops of Burt & Sindele upon the same grounds upon which he had asked it in the suit in the United States Circuit Court in this State, and that no notice was given at that time, or ever given, to Burt & Sindele either by Bunte Bros. & Spoehr, the defendants named in that action, or by Mr. Smith, or by his attorney or counsel, that the suit was to be brought, or had been brought, or that a judgment had been gotten; and that within about three days after the service of the papers upon Bunte Bros. & Spoehr a judgment was obtained by consent against Bunte Bros. & Spoehr enjoining them, obtaining a permanent injunction against the sale of the cough drops of Burt & Sindele; and that Barton & Brown, who appeared as the counsel in the case in the Circuit Court in this State—the earlier case—were the counsel in that action, and I think the attorneys of record and had charge of the case; and that the judgment was procured through their office, and their instrumentality, and with knowledge of all the facts relating to this action.

And we offer that as tending to show malice in the action which had been brought in this State, and as showing want of probable

cause also. That action was brought in Chicago, and judgment obtained some months before this action was brought. And we offer to give evidence to show that the suit was brought in Chicago
182 collusively, and the judgment obtained collusively and by arrangement, and knowledge thereof purposely concealed from these plaintiffs until long after; and that the suit was in fraud of their rights.

Defendant's counsel objected to this as incompetent, irrelevant and immaterial.

By the COURT: I think I shall rule out this evidence.

Plaintiffs' counsel duly excepts.

Plaintiffs' counsel makes the same offer of the same evidence separately upon the issue of malice in this case.

Defendant's counsel makes the same objection.

By the COURT: Same ruling.

Plaintiffs' counsel duly excepts to the ruling of the court.

Defendant's counsel concedes that no other action has been instituted by defendant in this State to obtain the relief sought in the original suit against these plaintiffs in the United States Circuit Court.

Defendant's counsel stipulates that in the case of William W. Smith *vs.* Burt & Sindele, in the United States Circuit Court, the answer of the defendants was filed April 1st, 1895, and the replication was filed May 7, 1895.

Plaintiffs' counsel offers in evidence Equity Rule 69 of the Supreme Court of the United States.

Received in evidence.

(Part of Equity Rule 69 here follows:)

" Three months and no more, shall be allowed for the tak-
183 " ing of testimony after the cause is at issue, unless the court,
" of a judge thereof, shall, upon special cause shown by
" either party, enlarge the time; and no testimony taken after such
" period shall be allowed to be read in evidence at the hear-
" ing." * * *

Plaintiffs' counsel offers in evidence the following certified copy of the docket record in the case of William W. Smith *vs.* Ferdinand Bunte, Gustav A. Bunte and Charles A. Spoehr, as Bunte Bros. & Spoehr.

"Docket No. 14, Page 155.

"Bill, Trade-mark.

"24439.

"WILLIAM W. SMITH
vs.
FERDINAND BUNTE, GUSTAV A. BUNTE and CHARLES A. SPOEHR, as Bunte Bros. and Spoehr.

"Attorneys, Barton & Brown for compl't.

"1897.		Pl'f's Costs.	Paid by Pl'f.
Mar. 10,	Filed bill and 18 exhibits	1.90	25.
	Issued process to April R. D.	1	
	3 certified copies of process	1.50	
" " "	bond for costs	.90	
" 13, "	process returned served	.25	
" 12, "	affidavits of Whitford, Mayer, Goosen, Haskins	.40	
	Lawrence Jones	.20	
" 13,	Decree (costs and damages waived)	.45	
184			
Mar. 13,	Entered motion and order for decree	.30	
" "	Complete record	7.05	
" "	Taxing costs	3.00	
		$16.95	

"NORTHERN DISTRICT OF ILLINOIS,
Northern Division, ss:

I, S. W. Burnham, Clerk of the Circuit Court of the United States for said Northern District of Illinois, do hereby certify the above and foregoing to be a true and complete copy of the Docket Entries in the cause wherein William W. Smith is complainant and Ferdinand Bunte, *et al.* are defendants, as the same appears from the original records of said Court, now remaining in my custody and control.

In testimony whereof, I have hereunto set my hand and affixed the seal of said court, at my office in Chicago, in said District, this 14th day of May, A. D. 1901.

[SEAL.]

(Signed) S. W. BURNHAM, *Clerk.*"

Objected to by defendant's counsel on grounds already stated.

By the COURT: What is this offered for?

Mr. BUSHNELL: It is offered for the purpose of meeting as far as possible the allegations set up in their answer in reference to that case.

Mr. QUACKENBUSH: That is objected to as improper. If anything it is rebuttal.

185 By the COURT: Excluded.

Plaintiffs' counsel duly excepts.

Mr. BUSHNELL: I offer that portion of it in evidence which shows that that action was commenced on March 10, 1897, and that the decree was entered on March 13, 1897.

Mr. QUACKENBUSH: Objected to on the grounds already stated.

By the COURT: Same ruling.

Plaintiffs' counsel duly excepts.

Direct examination of ERNEST WRIGHT, from the deposition of ERNEST WRIGHT, taken Sept. 12, 1899, read on behalf of the plaintiff-.

"I reside at Erie, Pa., and am now, and have been since Sept. 11, 1896, traveling salesman for Burt & Sindele. At the time I began my employment with Burt & Sindele, I had been informed that there had been an injunction by Smith Bros. against Burt & Sindele, and I then went out to re-introduce the Burt & Sindele cough drop, and I have been employed by Burt & Sindele introducing their goods in fourteen States ever since. Cough drops, general line of confectionery, and candy specialties. When I left the house in the fall of 1896, I found that Burt & Sindele's cough drops had been out of the market——

Mr. QUACKENBUSH: I object to anything further in the answer on the ground that it is a conclusion and hearsay.

By the COURT: "That he found them on the market" is competent.

Mr. QUACKENBUSH: I do not object to that.

186 By the COURT: What is the statement?

Mr. BOSLEY: "On account of an injunction served by Smith Brothers in 1895."

By the COURT: I think we must exclude that part of the answer.

Plaintiffs' counsel duly excepts.

Witness continues:

I do not know the exact dates. I found it very difficult to introduce the goods. I found that the buyers here used very strong arguments in behalf of our goods being out of the market; never expected they would appear in the market again on account of Smith Bros. having an injunction against them; that they put out 25 or 26 other cough drops throughout the country; that they never expected that we would win our suits, consequently they had to replace our goods with Smith Bros.' goods and other local drops. I applied to different concerns which had been handling the Burt & Sindele cough drops before the injunction, speaking generally, I was not able to get an order from all the persons who previous to that had bought of Burt & Sindele. There was a large percentage of them that I could not get any orders from—a very large percentage, and especially of the best trade. The better houses, such people as Park, Davis & Company of Detroit, Bluegraff & Company of Milwaukee and Thorpe, Hawley & Company of New York, Boynton & Fox of

Detroit, Morris, Plummer & Co. of Chicago and others. I have been unable to successfully place our goods with the largest firms in the country. The only way I could place them with a good
187 many of those people was, they said "We will take your goods on sale and you go out and put them where they were in 1895, and we will take the goods on sale and do what we can with them." All of the concerns I have named had been handling the Burt & Sindele cough drops before the injunction. Some of them are handling them now, but not as extensively. They are the leading houses in the trade. Some of them the leading houses of the world. I was able to reintroduce the Burt & Sindele cough drop with those houses which I have named only at the expense of special advertising and reduction of the price of our goods from the former price. Burt & Sindele had to bear the expense of the advertising. I have not been able to reintroduce the five-cent package to the extent that I have the penny package. We use the penny package for advertising purposes. It is sold practically at cost. While I sell a great many cough drops my sale is increasing annually. It is not the five-cent package, it is the penny package. Park, Davis & Company of Detroit are considered the largest concern in their line in the United States.

Q. And state your experience in re-introducing the Burt & Sindele cough drops with that firm (Park, Davis & Co.) in 1896?

A. I called on the buyer in September, 1896, and introduced my business to him, he said "Yes, you have a very good drop," but, he said, "We never expected to see you again. We used to handle your goods, but Smith Bros. putting you off the market we never expected to see you back again, consequently we replaced them with
188 other goods, but if you will go out and introduce the goods to the retail trade we will be pleased to fill all your orders and carry your goods in stock."

The introduction to the retail trade is that we have got to give them a better price than we did. We have reduced the price so that they sell to the retail trade 10 per cent. less than they did before the suit of Smith Bros. I was unable to sell goods to Park, Davis & Co. on the regular terms. The only way I could place goods with Meyer & Co. of St. Louis was on consignment, they being a very large house. We sent them five thousand circulars and forty cards and samples for their traveling men, and sent them goods on this consignment—not by sale.

Q. What is the fact with reference to the difference between consigning a special article of that sort and making a sale of them with reference to introducing them and getting them sold?

A. My experience has been to send an article on consignment is that it kills that article from the fact the men whom you send the goods to, the jobber, has no money tied up in it. They give the men the samples and nine out of ten the men know the goods are on consignment, they are so instructed, the result is they have no money invested and they pay no attention to the goods, they simply carry them along. If somebody wants them well and good, but

they never talk the goods. My experience has been that that kills the goods on the market.

Q. Now, state your experience with this Milwaukee house you speak of?

189 A. Mr. Bluegraff stated to me that they had a very large sale of our goods. I forgot whether he sold—it was either ten or twenty-five cases of them in a very short time. Could not get the goods fast enough in 1894. They got off the market through the injunction of Smith Bros. and that he now had no demand for them and no sale for them. Other goods had taken their place. If I wanted to go out and re-introduce the goods he would be glad to have me. These statements were made to me when I applied to them to give me an order for the goods.

Q. And what cough drop has taken the place of the Burt & Sindele drop as you have learned from your observation and experience in this work you have been engaged in?

Objected to as incompetent and calling for a conclusion.

By the COURT: How is that important?

Mr. BUSHNELL: It is competent and might be important, as being the result that was contemplated and sought in bringing this action. That we, of course, claim was the motive they had in instituting this proceeding—was to force these drops out of the market and substitute their own.

By the COURT: This evidence is offered on the question of damages?

By Mr. BUSHNELL: It would be competent on that.

By the COURT: I think I will rule out that testimony.

Plaintiffs' counsel duly excepts.

Q. State as far as you know the nature and extent of the

190 advertising that Burt & Sindele have been compelled to resort to since the removal of the injunction since you began your work?

A. It has cost an extra expense to advertise in all the national drug bulletins, grocers' journals and confectioners' journals. They have resorted to sending out several hundred thousand circulars through the mails. They have resorted to sending out looking glasses for advertisements to re-introduce the goods; above all they went to work and got up a package that cost, (where our former package only cost us two and one third cents) that costs about thirteen cents, to reintroduce the goods, for an advertising package, what we call a patent display box. We have reduced the price of our goods twenty cents on each box, containing forty five cent packages.

Q. And this course of business you have stated with reference to your reception by wholesale dealers to whom you applied, state if that was the ordinary general course of business when you applied for orders?

A. That was the principal argument that I had to meet the very first thing.

Q. That was when you applied for orders?

A. Yes, when I introduced my business that was the first thing,

"We would be glad to handle your goods, but you have been out of the market, and you must go out and re-introduce them."

By Mr. BUSHNELL: Annexed to this deposition that was taken in Chicago the defendant annexed the complaint in the action of Smith against Bunte Bros. and Spoehr, and also the exhibits in that case. I do not know of any other way of having it appear
191 on the record what the allegations in that complaint were than by putting that complaint in evidence.

Plaintiffs' counsel offers in evidence complaint and exhibits above referred to.

By the COURT: I will permit you to offer it, but I will have to exclude it under my former ruling.

Plaintiffs' counsel duly excepts.

Complaint marked "U" for identification.

STATEMENT OF EXHIBIT "U."

This complaint, with the exception of the title, is substantially identical with the complaint in the original action brought by Smith against Burt & Sindele, and charges the defendants, Bunte Brothers and Spoehr with infringement of the registered trade-marks of Smith by selling in Burt & Sindele's packages B. & S. cough drops, *i. e.*, those manufactured and sold by Burt & Sindele.

ALFRED H. BURT, recalled for the plaintiff-, testified as follows:

Direct examination by Mr. BUSHNELL:

(Witness shown package marked "G. W. Rexicker.")

Cough drops enclosed in that package are on sale generally in the market.

I know of that package having been on the market since 1893 or 1894.

192 Package above referred to offered and received in evidence and marked plaintiffs' "Exhibit W."

(Original package Exhibit "W" to be submitted to the court upon argument of the motion for a new trial, or of any appeal from the decision thereof.)

My expenses for attorney and counsel fees in the action brought against us by Smith Bros. was $1250.00, That is the bill for attorney's fees and disbursements. I had expenses myself in that case traveling expenses and looking up evidence which amounted to about $200.00.

Q. Who, that had formerly sold your goods in Canada, previous to the time that an injunction was obtained, did you apply to in 1896, after the injunction was dissolved, for the sale of your goods?

A. The London Drug Company of London, Evans & Sons, or Evans & Company of Toronto and Montreal, Lyman, Ely & Company of Toronto, Lyman Bros. of London and Montreal and two other firms in Toronto.

I saw Mr. Lyman of Lyman, Ely & Company and endeavored to sell them goods in 1896, but did not sell them any. They had formerly sold our goods. Mr. Lyman said they being unable to get our goods they were making one of their own and were selling other cough drops. To-day we are selling them to the London Drug Co., Evans & Sons or Evans & Company, only those two. In 1894 and 1895 we had five or six customers in Toronto. I think three of the Toronto firms had branches in Montreal and one in Lon-
193 don—the London Drug Company. We had formerly sold both houses and branches.

Q. Did you receive from the defendant or otherwise in 1897 any notice of the suit brought by him against Bunte Brothers & Spoehr of Chicago?

Objected to on the ground that it is incompetent, irrelevant and immaterial.

Objection sustained.

Plaintiffs duly excepts.

EDWARD P. BURT, being duly sworn in behalf of the plaintiff-, testified as follows:

Direct examination by Mr. BUSHNELL:

I am a brother of Mr. Burt of Burt & Sindele, and was in the employ of Burt & Sindele in 1893 and 1894 as shipping clerk and manager. I had charge of the mail and had charge of depositing the mail. I sorted all of the mail that went out. I remember some goods that were sold to Smith Bros. of Poughkeepsie in 1893 and 1894.

(Witness shown Exhibit "D.")

That (referring to Exhibit "D") was one of the envelopes that we used in 1893 and 1894 in the business. We had no other envelopes there. Our invoices of goods sold were sent to the post-office and sent by mail. Invoices of goods sold in 1893 and 1894 were sent in those envelopes, we had no other envelopes to send them in.

Q. Do you remember, Mr. Burt, of mailing the invoices to Smith Bros.?

194 A. Why, I would swear that I mailed it, but, of course, I could not swear whether I carried that one or not. It would be in with the rest of them, in one of those envelopes.

ALFRED H. BURT recalled for the plaintiff- testified as follows:

Direct examination by Mr. BUSHNELL:

The bills for goods sold by our firm to Smith Brothers in 1893 and 1894 were paid.

Counsel for plaintiffs and defendant stipulated that the decision of the Circuit Court of Appeals was filed December 17th, 1895.

Plaintiffs rest.

The defendant moves for a non-suit upon the grounds that the plaintiffs have failed to establish the cause of action alleged, and have failed to prove facts sufficient to constitute a cause of action; that the plaintiffs have failed to show that the suit complained of was instituted without probable cause, but on the contrary it affirmatively appears that the suit complained of and the proceedings therein were based upon probable cause.

Motion for a non-suit granted.

Plaintiffs duly except — the ruling of the Court.

Plaintiffs ask to go to the jury upon the whole evidence and the whole case.

By the COURT: Denied.

Plaintiffs except.

Plaintiffs ask to go to the jury upon the question as to
195 whether or not the defendant in this action had probable cause for instituting the suit in the Circuit Court.

By the COURT: Denied.

Plaintiffs except.

The following opinion was read by the Court upon the decision for a non-suit:

By the COURT: I have decided in this case to grant the motion for a non-suit, and in order that there be no misunderstanding about the ruling of the Court on the question I have dictated to the stenographer the reasons upon which the motion is granted.

The decision of this motion for a non-suit must rest upon the effect to be given to the preliminary injunction granted by the Circuit Court of the United States for the Northern District of New York as evidence of probable cause to defeat this action for malicious prosecution. The cause of action alleged in the case of the United States Court was upon an alleged infringement by the defendants in that action of certain alleged trade-marks of the plaintiff in that action, and the substantial relief sought was a perpetual injunction restraining the defendant in that action from using said alleged trade-marks. The preliminary injunction granted this relief during the pendency of the action. While, of course, the present action is for the malicious prosecution of the action in the United States Court, the real grievance for which the plaintiffs seek to be compensated here arises out of the issuance of the preliminary injunction. That injunction was applied for on notice to the defendants in that action upon the bill of complaint and certain affidavits. The defendants in that
196 action resisted the application and read in opposition thereto a number of affidavits setting forth the defendant's claims substantially as they now appear before this Court, and after argument and due consideration the Circuit Court issued the injunction. The Court had jurisdiction of the parties to the action, as well as of the subject matter of the suit.

The rule is well settled that the final judgment or decree of a court having jurisdiction of the parties and of the subject matter in favor of the plaintiff is sufficient evidence of probable cause for its institution, although subsequently reversed by an appellate tribunal. But it is claimed that the same effect should not be accorded to an

order granting a preliminary injunction. To decide this question it is necessary to have recourse to the reason for the rule above stated. It is well expressed in the Cresent Live Stock Company case, to which reference has been made on the argument, in the following language: "The rule is founded on deeper grounds of public policy in vindication of the dignity and authority of judicial tribunals constituted for the purpose of administering justice according to law, and in order that their judgments and decrees may be invested with that force and sanctity which shall be a shield and protection to all parties and persons in privity with them. The rule, therefore, has respect to the court and to its judgment, and not to the parties, and no misconduct or demerit on their part, except fraud in procuring the judgment itself, can be permitted to detract from its force. It is equally true and equally well settled in the foundations of the law that neither misconduct nor demerit can be imputed to the court itself. It is an invincible presumption of law that the judicial tribunal, acting within its jurisdiction, has acted impartially and
197 honestly."

I am unable to see why the order for the preliminary injunction granted under the circumstances disclosed by the evidence in this case does not fall within the spirit of that rule. The granting of that injunction imported the decision of that Court that there was probable cause, not only for issuing the injunction, but for the maintenance of that action. This Court is asked on substantially the same state of facts which appeared before the Circuit Court of the United States to decide that there was not probable cause for its maintenance. It seems to me that for this Court to so hold, in view of the decision of Judge Coxe, would be entirely contrary to the spirit of the rule above referred to.

I am also of the opinion that there is no evidence sufficient to warrant the jury in finding that the injunction order was obtained by fraud, conspiracy, or other due or improper means. These views lead to the granting of the motion for a non-suit. It is so ordered.

It is hereby stipulated that the foregoing case may be settled and filed as above.

MOREY & BOSLEY,
Attorneys for Plaintiffs.
MILTON A. FOWLER,
Attorney for Defendant.

The foregoing case containing all the evidence is hereby settled and ordered filed.

Dated July 14, 1902.

DAN'L J. KENEFICK,
Justice of the Supreme Court.

198 Supreme Court, Erie County.

ALFRED H. BURT and One, Plaintiffs,
vs.
WILLIAM W. SMITH, Defendant.

Stipulation.

It is hereby stipulated by and between the respective parties to the above entitled action that the foregoing pleadings, minutes, order and case containing exceptions are true copies of the originals thereof entered and on file in the office of the Clerk of Erie County, and are hereby deemed for all purposes certified and may be used and filed with the same force and effect as if certified by the Clerk.

Dated July 14, 1902.

MOREY & BOSLEY,
Attorneys for Plaintiffs.
MILTON A. FOWLER,
Attorney for Defendant.

199 At a Term of the Appellate Division of the Supreme Court of the State of New York, in and for the Fourth Judicial Department, at the City of Rochester, on the 12th day of May, 1903.

Present: Honorable William H. Adams, Presiding Justice; Honorable Peter B. McLennan, Honorable Alfred Spring, Honorable Pardon C. Williams, Honorable Frank H. Hiscock, Associate Justices.

ALFRED H. BURT and Another, Plaintiff-,
vs.
WILLIAM W. SMITH, Defendant.

This action having been brought to trial at a regular term of the Erie County trial term held in and for the County of Erie, the Hon. Daniel J. Kenefick, Justice presiding, and the plaintiff- having moved for a new trial on the minutes and the plaintiffs' exceptions having been ordered heard at the Appellate Division in the first instance, and the same having come on for argument at the Appellate Division, held in and for the Fourth Department, on
200 the 17th day of March, 1903, and due deliberation had thereon.

It is ordered and adjudged that the Plaintiffs' exceptions be and the same are hereby sustained and motion for a new trial granted, with costs, to the plaintiff- to abide event.

Opinion by Williams, J. All concur, except Spring, J., dissenting in memorandum.

[SEAL.] NEWELL C. FULTON, *Clerk.*

Supreme Court, Appellate Division, Fourth Judicial Department.

CLERK'S OFFICE, *Rochester, N. Y.*

I, Newell C. Fulton, Clerk of the Appellate Division of the Supreme Court in the Fourth Judicial Department, do hereby certify that the following is a copy of the order made by said court upon the appeal in the above entitled action or proceeding, and entered in my office on the 12th day of May, 1903, and that the original case or papers upon which said appeal was heard are hereunto annexed.

In Witness Whereof, I have hereunto set my hand and affixed the seal of said Court, at the City of Rochester, this thirteenth day of May, 1903.

[SEAL.] NEWELL C. FULTON, *Clerk.*

Filed Erie County Clerk's Office June 29th, 1903.

201 Appellate Division, Fourth Department.

ALFRED BURT and One
vs.
WILLIAM W. SMITH.

It is hereby stipulated by and between the attorneys for the respective parties hereto, that the time within which the defendant may take and perfect his appeal herein from the order of the Appellate Division, Fourth Department, granting a new trial herein, which order was made on or about the 12th day of May, 1903, and entered on or about the same day in the office of the Clerk of the Appellate Division, and in the office of the Clerk of Erie County on the 29th day of June, 1903, is hereby extended to and including the 22nd day of September, 1903.

Dated September 3, 1903.

MOREY & BOSLEY,
Attorneys for Plaintiffs.
MILTON A. FOWLER, H. D. B. J.,
Attorney for Defendant.

202 STATE OF NEW YORK:

Supreme Court, County of Erie.

ALFRED H. BURT and JOSEPH J. SINDELE, Plaintiffs,
vs.
WILLIAM W. SMITH, Defendant.

GENTLEMEN: Please Take Notice that the defendant in the above entitled action appeals to the Court of Appeals from the order of the Appellate Division of the Supreme Court in and for the Fourth Judicial Department herein, entered in the office of the Clerk of said Appellate Division on the 12th day of May, 1903, a certified copy of

which was filed in the Clerk's Office of the County of Erie on the 29th day of June, 1903, granting a new trial herein, and from the whole of said order; and the said defendant and appellant hereby assents that if the said order is affirmed, judgment absolute shall be rendered against the said appellant.

Dated September 16, 1903.

MILTON A. FOWLER,
Attorney for Appellant,

Office and P. O. Address, 255 Main Street, Poughkeepsie, N. Y.

To Clerk of the County of Erie. Morey & Bosley, Attorneys for the Plaintiffs, Buffalo, N. Y.

Filed September 19th, 1903.

203 Supreme Court.

ALFRED H. BURT and JOSEPH J. SINDELE, Plaintiffs and Respondents,
against
WILLIAM W. SMITH, Defendant and Appellant.

Whereas on the 12th day of May, 1903, in the Supreme Court, the above named Alfred H. Burt and Joseph J. Sindele, Respondents, recovered a judgment against the above named William W. Smith, Appellant, in the Appellate Division, Fourth Judicial Department, sustaining the plaintiffs' exceptions and granting motion for a new trial with costs to the plaintiffs to abide the event.

And the said appellant, William W. Smith, feeling aggrieved thereby, intends to appeal therefrom to the Court of Appeals of the State of New York.

Now, therefore, we, Floy M. Johnston, residing at No. 143 Academy Street, in the City of Poughkeepsie, N. Y., by occupation a Banker, and William Schickle, residing at No. 40 Carroll Street, in the City of Poughkeepsie, N. Y., by occupation a Cashier of Bank,

do hereby, pursuant to the statute, jointly and severally under-
204 take, that the appellant will pay all costs and damages which may be awarded against him on said appeal, not exceeding five hundred dollars.

Dated at Poughkeepsie, N. Y., this 18th day of September, 1903.

FLOY M. JOHNSTON. [L. S.]
WILLIAM SCHICKLE. [L. S.]

STATE OF NEW YORK, *County of Dutchess, ss:*

On this 18th day of September, A. D., 1903, before me the subscriber, personally came Floy M. Johnston and William Schickle personally known to me and to me personally known to be the same persons described in and who executed the above undertaking and severally acknowledged that they executed the same.

GEORGE W. SWEET,
[SEAL.] *Notary Public.*

STATE OF NEW YORK,
County of Dutchess, City of Poughkeepsie, ss:

Floy M. Johnston, one of the sureties of the foregoing undertaking, being sworn says that he is a resident of and free holder within the State of New York, and is worth One Thousand Dollars over
205 all the debts and liabilities which he owes or has incurred, and exclusive of property exempt by law from levy and sale under execution.

FLOY M. JOHNSTON.

Sworn to before me this 18th day of September, 1903.
GEORGE W. SWEET,
Notary Public.

STATE OF NEW YORK,
County of Dutchess, City of Poughkeepsie, ss:

William Schickle, one of the sureties to the foregoing undertaking, being sworn, says that he is a resident of and a free holder within the State of New York, and is worth One Thousand Dollars over all the debts and liabilities which he owes or has incurred, and exclusive of property exempt by law from levy and sale under an execution.

WILLIAM SCHICKLE.

Sworn to before me this 18th day of September, 1903.
GEORGE W. SWEET,
Notary Public.

Filed September 19th, 1903.

206 STATE OF NEW YORK, *County of Dutchess, ss:*

I, Frederick Bostwick, Clerk of the County of Dutchess, and of the County Courts of said County, and of the Supreme Court of the State of New York, in and for said County, the same being Courts of Record, Do Hereby Certify: That George W. Sweet, before
[SEAL.] whom the annexed affidavit and acknowledgment were taken, was at the time of taking the same a Notary Public in and for the County aforesaid, dwelling in said County, duly appointed, sworn and authorized to administer oaths to be used in any Court in said State, and for general purposes, and also to take and certify the proof and acknowledgment of deeds to be recorded in said State. And Further: That I am well acquainted with the handwriting of said Notary Public, and that his signatures thereto are genuine as I verily believe.

In testimony whereof, I have hereunto set my hand, and affixed the Seal of said Courts and County, this 18th day of September, 1903.

[SEAL.] F. BOSTWICK, *Clerk.*

207 Supreme Court, Erie County.

ALFRED H. BURT and One, Plaintiffs,
against
WILLIAM W. SMITH, Defendant.

Stipulation.

It is hereby stipulated by and between the respective parties to the above entitled action that the foregoing pleadings, minutes, order, case containing exceptions, order of Appellate Division, Notice of Appeal and Undertaking are true copies of the originals thereof entered and on file in the office of the Clerk of Erie County and are hereby deemed for all purposes certified and may be used and filed with the same force and effect as if certified by the Clerk.

Dated October —, 1903.

MOREY & BOSLEY,
Attorneys for Plaintiffs.
MILTON A. FOWLER,
Attorney for Defendant.

208 ALFRED H. BURT and JOSEPH J. SINDELE
vs.
WILLIAM W. SMITH.

Opinion 122, — 53.

Fourth Department, Appellate Division, March, 1903, Term.

Adams, Presiding Justice. McLennan, Spring, Williams & Hiscock, Associate Justices.

Motion for a new trial upon Plaintiffs' exceptions ordered to be heard in the first instance by the Appellate Division, after a nonsuit granted at the close of a trial in Supreme Court, before a Jury pursuant to Sec. 1,000 of the Code of Civil Procedure.

Morey & Bosley and Clarence M. Bushnell for Plaintiffs.

Milton A. Fowler, James L. Quackenbush and George P. Keating for Defendant.

WILLIAMS, *J.:*

Plaintiffs' exceptions should be sustained and the motion for a new trial granted, with costs to the plaintiff- to abide event.

The action is for malicious prosecution, in having brought and prosecuted an action in the United States Circuit Court for
209 the purpose of enjoining the plaintiffs herein from using the initials of their firm name B. & S. upon cough drops, and the packages, manufactured, put up and sold by them on the ground that those letters were an infringement on the trade mark of this de-

fendant, used in connection with cough drops, manufactured, put up and sold by him, wherein he used the letters S. B., and to recover damages for such infringement.

That action was commenced in January, 1895, and thereafter a motion was made for a preliminary injunction upon notice.

Upon the pleadings and affidavits presented on both sides, and after hearing argument, the Court, April 8, 1895, made an order directing the injunction to issue. . It was issued April 15, 1895, and was served April 16, 1895. An appeal was taken from such order to the Circuit Court of Appeals and errors assigned April 30, 1895, and on the 21st of January, 1896, the order appealed from was reversed upon the merits and the injunction vacated. And at Albany trial term, at which the action was noticed for trial on the 3rd day of February, 1896, upon complainants' default, the complaint was dismissed upon the merits with costs. No undertaking was given upon the obtaining of the injunction.

The nonsuit in the present action was ordered upon the ground that the granting of the preliminary injunction by the Circuit Court of the United States (there being no evidence of fraud, conspiracy or other improper means having been used to obtain the
210 same), was sufficient evidence of probable cause, although reversed upon appeal, and though the complaint was subsequently dismissed upon the merits, to defeat this action for malicious prosecution.

We cannot agree to the correctness of this decision. We, of course, assent to the correctness of the decision of the Supreme Court of the United States, in Crescent Live Stock Co. *vs.* Butchers' Union, 120 U. S. 141, that a final decision of the Circuit Court of the United States, is sufficient evidence of probable cause, for the prosecution of the suit, to defeat an action for malicious prosecution in bringing and prosecuting such action notwithstanding the reversal of such decree on appeal, by the Supreme Court of the United States, unless it be shown to have been obtained by fraud, conspiracy or other improper means. That decision, however, has reference to a final decree made after a full trial of the action upon the merits; and we think the same force and effect should not be given to an intermediate order for a preliminary injunction. In the one case the decision by the court, is made, with a view of finally settling, and it does settle, the whole controversy between the parties, subject to reversal in the event of an appeal. In the other case, the decision is not made with any view, of fully determining the rights of the parties, but merely of preserving such rights, as may be finally adjudged, during the pendency of the action until the court can settle them upon a full trial and hearing of the whole controversy.

211 In the present case no ground was stated for granting the order that an injunction issue in the order itself, and the injunction recited not that the facts were or were decided to be as stated therein, but merely that it had been represented to the Court, that Smith Brothers had a trade mark registered in the patent office of which Smith was the owner and having letters S. B.

thereon which he used in his business, and that Burt and Sindele had infringed this trade mark by using the letters B. & S. in their business. Therefore the said Burt & Sindele were enjoined until the further order, judgment and decree of the Court from using the letters B. & S. in its business.

We are unable to see how, by this order, or this injunction it can be said the Court adjudged or determined any rights of the parties. Any questions of fact or of law, which were material to establish the cause of action alleged in the complaint, anything which tended to show probable cause for the bringing of the action. The order and the injunction were evidently based upon the theory that the rights of the parties were in controversy and in doubt, and Burt and Sindele should therefore discontinue the use of the letters B. & S. until it should be determined by the Court, after a trial upon the merits what the rights of the parties were, or until the Court should otherwise direct.

The trial Court in this action was of the opinion that the same force and effect should be given to this order and injunction as would be given to a final decree in the case, and upon this view of the law the nonsuit was granted.

212 We think this was error. There are no authorities upon this precise question in this state or the United States Supreme Court, but the right to recover damages resulting from the issue of an injunction in an action for malicious prosecution, in a proper case, that is, where the injunction is procured maliciously and without probable cause is recognized by both the Courts of this State and the Supreme Court of the United States.

Lawton *vs.* Green 5 Hun. 157-61.
Affirmed 64 N. Y. 326-31.
Palmer *vs.* Foley 71 N. Y. 106-8.
Mark *vs.* Hyatt 135 N. Y. 306-10.
Russell *vs.* Farley 105 U. S. 433-8.
Myers *vs.* Block 120 U. S. 206-11.

Such recovery could not well be had, if the mere issue of the injunction was sufficient proof of probable cause to defeat the action.

Having arrived at the conclusion that the trial Court was in error, in disposing of this case upon the ground stated by it we do not feel called upon to go into a careful consideration of the evidence, to determine whether there was probable cause for the prosecution of the injunction action in the Circuit Court of the United States. That question should be submitted to a jury upon all the evidence and the trial court should pass upon it in the first instance, if it is a question of law.

We are inclined to regard the question in this case as one of fact for the jury, to be disposed of by them, upon all the
213 evidence, under instructions by the Court as to the well settled rules of law, as to what constitutes probable cause.

We conclude therefore that the exceptions of the plaintiff- should

be sustained, and a new trial granted with costs to the Appellant, to abide event.

All concur except Spring, J., who dissents.

Decided May 12, 1903.

214 Supreme Court, Appellate Division, Fourth Department.

ALFRED H. BURT, Plaintiff,
against
WILLIAM W. SMITH, Defendant.

SPRING, *J.* (memorandum):

The pith of the plaintiff's grievance is the granting of the preliminary injunction order by Judge Coxe.

That order was made upon notice, upon affidavits and after a hearing on the merits. Judge Coxe had jurisdiction of the subject matter and of the parties. His determination is embodied in the order out of which the plaintiff's alleged damages arose. The decision was an effective adjudication until reversed as if made upon the trial of the issues.

The fact that there was a subsequent reversal by the Circuit Court of Appeals does not render the present defendant amenable to an action for malicious prosecution.

Crescent Live Stock Union vs. Butchers' Union, 120 U. S. 141.

I think the granting of the order is conclusive evidence of probable cause.

The defendant's exceptions should be overruled and judgment ordered for the defendant on the merits with the costs of this appeal.

215 STATE OF NEW YORK:

In Court of Appeals.

At a Court of Appeals for the State of New York, held at the Capitol in the City of Albany, on the twenty-first day of February A. D. 1905.

Present: Hon. Edgar M. Cullen, Chief Judge, presiding.

ALFRED H. BURT and JOSEPH J. SINDELE, Respondents,
ag'st
WILLIAM W. SMITH, Appellant.

Be it remembered, That on the 20th day of October in the year of our Lord one thousand nine hundred and three, William W. Smith, the appellant in this action, came here into the Court of Appeals, by Milton A. Fowler, his attorney, and filed in the said Court a notice of appeal and return thereto from the order of the

Appellate Division of the Supreme Court in an- for the Fourth Judicial Department. And Alfred H. Burt and Joseph J. Sindele, the respondents in said action, afterwards appeared in said
216 Court of Appeals by Morey & Bosley, their attorneys. Which said notice of appeal and the return thereto, filed as aforesaid, are hereunto annexed.

Whereupon, The said Court of Appeals having heard this cause argued by Messrs. James L. Quackenbush and George F. Keating of counsel for the appellant, and by Mr. Norris Morey, of counsel for respondents, and after due deliberation had thereon, did order and adjudge that the order of the Appellate Division of the Supreme Court appealed from herein be and the same hereby is reversed and judgment of Trial Term affirmed, with costs

[Endorsed:] State of New York, in Court of Appeals. William H. Burt & ano., Resp'dts, *v.* William W. Smith, App'l'nt. Judgment.

217 The Court of Appeals handed down the following opinion on deciding the foregoing case:

ALFRED H. BURT and JOSEPH J. SINDELE, Respondents,
vs.
WILLIAM W. SMITH, Appellant.

(Decided February 21, 1905.)

Appeal from a judgment of the Appellate Division of the Supreme Court in the fourth judicial department sustaining the plaintiffs' exceptions and granting a new trial.

James L. Quackenbush, George F. Keating and Milton A. Fowler, for appellant.

Norris Morey, for respondents.

VANN, *J.:*

This is an action for malicious prosecution brought under the following circumstances: In 1874 the defendant, William Smith, and his brother Andrew, as copartners, began to manufacture cough drops at the city of Poughkeepsie and used the letters "S. B." indicating "Smith Brothers," their firm name, as a trade mark, upon the drops and packages. In January, 1892, they procured the registration of a trade mark under the statutes of the United States, the essential feature of which, as stated in the application therefor, "consists of two bust portraits of male figures representing the Smith Brothers, the registrants." During the same year they obtained another certificate of registry, the essential feature of which "consists of the letters 'S. B.'"

In 1891 the plaintiffs, who are copartners under the name of Burt & Sindele, began the manufacture of cough drops in connection with a confectionery business carried on by them in the city of Buffalo. The next year they adopted a package with a label designed

by the United States Printing Company and used the initials of their firm name, "B. & S." both upon the label and the drops to indicate the source of manufacture. At first their sales were small, but after advertising extensively they increased rapidly and the business finally became profitable.

In 1894 Andrew Smith, one of the Smith Brothers, died and the defendant succeeded to the business of the firm, both as surviving partner and by assignment from the executors of the decedent. In 1895 he commenced an action in the United States Circuit Court against the present plaintiffs, Burt & Sindele, to recover damages for an alleged infringement of said trade marks and asked for an injunction restraining them, both temporarily and permanently, from infringing the same. The bill of complaint set forth at great length facts and circumstances tending to show that Burt & Sindele had infringed both of said trade marks and had deceived the public by inducing the belief that their cough drops were made by the Smith Brothers. General relief was demanded for infringement of the common-law rights as well as technical relief for infringement of the statutory trade marks. Upon affidavits and notice Smith moved before the United States Circuit Court for the northern district of New York for a temporary injunction in accordance with the
218 prayer of the bill. The defendants appeared and read numerous affidavits in opposition, whereupon the court granted an injunction *pendente lite* without requiring any security. Upon appeal to the United States Circuit Court of Appeals the order granting the preliminary injunction was reversed upon the ground that the use of the combination "B. & S." was no infringement of the statutory trade mark for the two letters "S. B." It was also held that the Federal Court could take jurisdiction only of the question whether the registered trade marks had been infringed, and that it could not assume jurisdiction of the action so far as it was based upon "similarity in form, size and color of the drops, in the arrangement of the package, in the text and style of the directions for use, and other details tending to show an intent to deceive the purchasing public," because both of the parties were residents of the same state. Subsequently and on the 3rd of February, 1896, the bill of Mr. Smith was dismissed by default, but still, as the record states, "upon the merits," with costs. This action was thereupon commenced by Burt & Sindele, the defendants in the injunction suit, against William Smith, the plaintiff therein, to recover damages for malicious prosecution. Upon the trial a non-suit was granted, no evidence having been introduced by the defendant, but the plaintiff's exceptions were ordered to be heard in the first instance by the Appellate Division, where they were sustained by a divided vote, and a new trial was ordered. The defendant appealed to this court and gave the stipulation required by law.

A malicious prosecution is one that is begun in malice, without probable cause to believe it can succeed, and which finally ends in failure. An action for malicious prosecution is usually based upon an arrest in criminal proceedings, although it may be founded upon a civil action when commenced simply to harass and oppress the

defendant. (Pangburn *v.* Bull, 1 Wend. 345; Vanduzor *v.* Linderman, 10 Johns. 106; Bump *v.* Betts, 19 Wend. 421; Cooley on Torts, 187; 19 Am. & Eng. Encyc. Law [2d ed.], 652.) Damages are rarely recovered, however, for the malicious prosecution of a civil action, unless person or property is interfered with by some incidental remedy, such as arrest, attachment or injunction. As public policy requires that all persons should freely resort to the courts for redress of wrongs, the law protects them when they act in good faith and upon reasonable grounds in commencing either a civil or criminal prosecution. While malice is the root of the action, malice alone even when extreme, is not enough, for want of probable cause must also be shown. Probable cause is the knowledge of facts, actual or apparent, strong enough to justify a reasonable man in the belief that he has lawful grounds for prosecuting the defendant in the manner complained of. The want of probable cause does not mean the want of any cause, but the want of any reasonable cause, such as would persuade a man of ordinary care and prudence to believe in the truth of the charge. Probable cause does not necessarily
219 depend upon the actual guilt of the person prosecuted, but may rest upon the prosecutor's belief in his guilt when based on reasonable grounds. One may act upon what appears to be true, even if it turns out to be false, provided he believes it to be true and the appearances are sufficient to justify the belief as reasonable. Belief alone, however sincere, is not sufficient, for it must be founded on circumstances which make the belief reasonable. If probable cause exists, it is an absolute protection against an action for malicious prosecution, even when express malice is proved. Thus an innocent person may be prosecuted unjustly and subjected to expense and disgrace with no right to call the prosecutor to account, provided he acted upon an honest and reasonable belief in commencing the proceeding complained of. Peace and good order exact this hardship from the individual for the benefit of the people at large, so that citizens may not be prevented by the fear of consequences from attempting to assert their own rights or to vindicate the cause of public justice by an appeal to the courts. (Hazzard *v.* Flury, 120 N. Y. 223; Heyne *v.* Blair, 12 N. Y. 19; Farman *v.* Feeley, 56 N. Y. 451; Carl *v.* Ayers, 53 N. Y. 14; Long Island Bottlers' Union *v.* Seitz, 180 N. Y. 243; Foshay *v.* Ferguson, 2 Den. 617; Bishop on Non-Contract Law, 238; Bigelow on Torts, 194; Addison on Torts, 592; Newell on Malicious Prosecution, 252.)

The learned trial judge granted a nonsuit upon the ground that the order allowing the injunction was conclusive evidence of probable cause. It has been held by the Supreme Court of the United States that a final judgment of a court of superior jurisdiction is conclusive evidence of probable cause, even if it is subsequently reversed on appeal, because public policy requires that judgments and decrees should "be invested with that force and sanctity which shall be a shield and protection to all parties and persons in privity with them." (Crescent City Live Stock Co. *v.* Butchers' Union, 120 U. S. 141.) Some states have the same rule and in Georgia it has been extended to an *ex parte* order granting an injunction and appointing a re-

ceiver *pendente lite*. (Short & Co. *v.* Spragans, Buck & Co., 104 Ga. 628; Spring *v.* Besore, 12 B. Mon. 551, 555; Griffis *v.* Sellers, 4 Dev. & Bat. 174; Whitley *v.* Pekham, 15 Mass. 243; Herman *v.* Brookerhoof, 8 Watts. 240.) We find no case in this state where the effect of a judgment of a court of superior jurisdiction in this regard has been passed upon, although it has been held that a judgment rendered by a justice of the peace and subsequently reversed upon appeal is not conclusive, but only *prima facie* evidence of probable cause. (Burt *v.* Place, 4 Wend. 591; Nicholson *v.* Sternberg, 61 App. Div. 51.) In Palmer *v.* Avery (41 Barb. 290) the prevailing opinion went farther than the point decided, which was that the trial judge properly ruled that a judgment rendered by a justice of the peace, although reversed on appeal, is *prima facie* evidence of probable cause.

220 The injunction order in question was made by a court of superior jurisdiction, but it was not a final judgment. It was a temporary and provisional order resting in the sound discretion of the court and made to hold matters *in statu quo* until a trial on the merits could be had. It might be in force for a month or for years, but it could last only until final judgment was pronounced, and if preventive relief were then denied the injunction would fall of its own weight. Such an order differs from a final judgment in many respects. It has no element of finality. It is not a bar, except under peculiar circumstances. It is not conclusive evidence of the facts recited therein. It is not a writ of right but of discretion. If the facts make out a *prima facie* case, even if they are stoutly denied, the court frequently allows the injunction to stand, so that the property or right affected may remain unchanged until the trial. When granted after a hearing it is upon affidavits only, with no opportunity to confront or cross-examine the witnesses. Neither common-law evidence nor common-law methods are resorted to for the purpose of ascertaining the facts. The order may be modified or vacated before final judgment by the judge who made it, and "its sole duty is to preserve the subject of the controversy in its then existing condition, without determining any question of right." A final judgment on the other hand is the end of the controversy and is as binding upon the court which made it as it is upon the parties. So long as it stands it settles the facts and the law of the case beyond controversy in any other proceeding between the same parties. Even if manifestly wrong, it must be respected and obeyed as if it were right, unless reversed upon appeal. It does not adjudicate for a temporary purpose in order to preserve the subject of the action, but finally and for all time. As an order for a temporary injunction requires but a *prima facie* case, we think it is only *prima facie* evidence of probable cause.

Probable cause is always a question of law for the court, to be decided outright if there is no conflict in the evidence, otherwise by instructing the jury as to what facts if found will establish a want of probable cause. In the case now before us the trial judge decided that probable cause existed and although he gave a wrong reason for his decision, we think his conclusion was right. The *prima facie* case

made out by the order granting the injunction was not overcome by the other evidence introduced by the plaintiffs. The case presented by them in the state court, so far as the question of probable cause is concerned, differed in no controlling feature from that presented to the Federal court when the injunction was granted. Aside from the alleged infringement of the registered trade mark, there was still a *prima facie* case of infringement of the common-law trade mark. While some new facts were proved, it did not appear that they were known to the defendant when he applied for the injunction. With some difference in detail, there was a general resemblance in the size, color and appearance of the cough drops and packages
221 used by the respective parties. The defendant had used his design in substantially the same form for nearly twenty years until it had become generally known as his property. It had been protected by the judgments and orders of both state and Federal courts in many cases. The following instances, ranging from 1882 to 1894, show the method of infringing the use of the letters "S. B." on cough drops and packages, resorted to by other parties, which were restrained by the courts:

"S. P." used by J. Lutted & Co.; "T. C." used by Thomas Candy & Co.; "Smyth Brothers S. B. Cough Syrup," used by Vary & Neff; "Schmidt Brothers S. C. Cough Drops," used by George Schuster; "S. B." used by William & George Smith; "P. M." used by the firm of Peres & Mendelsohn; "B. L." used by Bird Brothers.

In each of these cases, as well as others not here mentioned but included in the moving papers before the Federal court, there was the usual effort to imitate in general appearance and yet vary in details easily overlooked by a purchaser.

The cough drops of the plaintiffs were substantially the same in size, color and form as those of the defendant. They were stamped on one side "B. & S." surrounded by a circle, and on the other "B. & S." with a bar above and below. Those of the defendant were stamped on one side "S. B." with a bar above and below, and on the other with a star of five points surrounded by a circle. The packages used by the parties looked alike but varied somewhat in design. On either end of the defendant's package was printed "5 cents" and on one side "Price 5 cents," while upon either end of those of the plaintiffs was printed, "Price 5 cents." On the bottom of both was printed matter identical in some respects and conveying the same meaning in all respects. Other resemblances are as follows: "Cough B. & S. Drops," instead of "Cough Drops;" "The only genuine have the letters B. & S. stamped on both sides of the drop," instead of "S. B. stamped on each drop;" "The original cough B. & S. drops," instead of "Smith Brothers S. B. cough drops." There were points as to which there was no resemblance and the strongest evidence of an apparent intent to imitate was in the general appearance.

The defendant's registration of the letters "S. B." was *prima facie* evidence of his common-law right. (U. S. Trade-mark Statute, approved March 3rd, 1881, § 7.) He presented to the Federal court the foregoing facts with other evidence tending to show an infringement of his rights by the plaintiffs, and so far as appears he pre-

sented it fairly and produced all he had bearing upon the subject. He gave notice of his application for an injunction and the plaintiffs appeared and opposed. After hearing both sides the court granted the injunction asked for, saying in its opinion, which is part of the record in the Federal courts although not in ours, that "in view of all the circumstances; in view of the almost literal copying of a part of complainants' directions, the use of these letters in this manner constitutes an infringement."

222 An inspection of the cough drops and packages of both parties submitted to us as part of the evidence taken upon the trial, shows, better than any written description can, a strong resemblance in some respects with as strong a difference in others. "It is not necessary," as we have said, "that the symbol, figure or device used or printed and sold for use, should be a *fac-simile*, a precise copy of the original trade mark, or so close an imitation that the two cannot be distinguished except by an expert, or upon a critical examination by one familiar with the genuine trade mark. If the false is only colorably different from the true; if the resemblance is such as to deceive a purchaser of ordinary caution; or if it is calculated to deceive the careless and unwary and to thus injure the sale of the goods of the proprietor of the trade mark, the injured party is entitled to relief. Neither is it necessary to establish a guilty knowledge or fraudulent intent on the part of the wrongdoer. It is sufficient that the proprietary right of the party and its actual infringement is shown." (Colman *v.* Crump, 70 N. Y. 573, 578.)

The burden of proof was upon the plaintiffs to establish a want of probable cause, but we think their own evidence shows that the defendant had probable cause to commence the action and procure the injunction, because the packages and drops of the plaintiffs resembled his own so closely as to be "calculated to deceive the careless and unwary." The average purchaser would not know the difference.

We are asked to affirm the order of the Appellate Division upon the ground that the trial court erred in some of its rulings relating to evidence. We have examined the exceptions relied upon, but are of the opinion that if the ruling had been the other way in each instance, the substantial facts which control the question of law as to probable cause would have remained unchanged. As the plaintiffs failed to show a want of probable cause, they failed utterly, and the order of the Appellate Division granting them a new trial must be reversed and the judgment of the trial court affirmed, with costs in all courts.

Cullen, Ch. J., Gray, O'Brien, Bartlett, Haight and Werner, JJ., concur.

Order reversed.

223 STATE OF NEW YORK:

Court of Appeals.

CLERK'S OFFICE.

I, W. H. Shankland, Clerk of the Court of Appeals of the State of New York, do hereby certify that the foregoing papers, consisting of copies of the return on appeal to the Court of Appeals in the case of Alfred H. Burt and Joseph J. Sindele, respondents, against William W. Smith, appellant, upon which the said Court acted in rendering judgment therein; the judgment of said Court rendered thereon and the opinion therein delivered on the decision thereof, are true and correct copies of the originals remaining on file and of record in this office, and that the same are correct transcripts therefrom, and of the whole of such originals.

In witness whereof, I have hereunto set my hand and affixed my official seal, at the City of Albany, this fourteenth day of June, 1905.

[Seal State of New York Court of Appeals.]

W. H. SHANKLAND,
Clerk of Court of Appeals
of the State of New York.

224 Supreme Court of the United States.

ALFRED H. BURT and JOSEPH J. SINDELE, Plaintiffs in Error,
vs.
WILLIAM W. SMITH, Defendant in Error.

Now come the said Alfred H. Burt and Joseph J. Sindele, Plaintiffs in Error, and respectfully submit, that in the record, proceedings, decision and final judgment, of said Court of Appeals of the State of New York, in the above entitled action there is manifest error in this, in that the said Court of Appeals therein and thereby held and decided against the validity and due force of an authority exercised under the United States, and held and decided against rights and immunities which had been specially set up and claimed by plaintiffs in error under an authority exercised under the United States as follows, to wit:

First: That in and by its said decision and judgment the said Court of Appeals refused to give due force and effect to a final judgment upon the merits of the Circuit Court of the United States in and for the Northern District of New York, entered on or about the 3rd day of February, 1896, wherein the said William W. Smith was complainant, and the said Alfred H. Burt and Joseph J. Sindele were defendants, which said judgment was so rendered and entered in favor of said Alfred H. Burt and Joseph J. Sindele, and against said William W. Smith, the plaintiff therein, and stands unmodified and unreversed, which said former judgment was, and was set forth and alleged in the complaint herein to be, a judgment upon the

merits, and the judgment roll thereof received in evidence
225 on the trial of this action, and denied the validity and force of said final judgment, and the rights of plaintiffs in error specially set up and claimed thereunder, in that by the said decision and judgment of the Court of Appeals herein it has decided and adjudged in denial of, and contrary to the matters and things adjudged in and by said former judgment, that the label and package and cough drops of the said Burt & Sindele as alleged in the complaint in said former suit (hereinafter called the injunction suit), and as given in evidence therein, were of themselves an infringement of, and a violation of the rights of the said Smith in and to the label and package used by him and cough drops and trade-mark in letters S. B., which were alleged in his complaint, and were in evidence in said injunction suit, and were, therefore, in themselves conclusive evidence herein of probable cause; and in affirming the judgment of non-suit, granted by the trial court, upon that ground.

Second: In the further decision and judgment of said Court of Appeals not only reversing the order of the Appellate Division granting a new trial, but also *awarding final judgment* in this action against the plaintiff, upon the ground that said labels and packages and cough drops so alleged and put in evidence herein furnished conclusive proof which could not be changed or affected by any other possible evidence, and which must therefore certainly prevent any recovery by plaintiff, upon a new trial, that the label and package cough drops and initial letters of said Burt & Sindele as alleged in said injunction suit were of themselves an infringement, and a violation of the rights of said Smith, and that *therefore* said Smith, plaintiff in said injunction suit, had probable cause for instituting the same, notwithstanding the said former judgment between the same parties in said injunction suit had adjudged and determined upon issue directly made by the pleadings therein, that such cough drops label and package used by the plaintiffs in error herein were
226 not infringements or violations of such label or package or cough drops of said Smith, defendant in error herein, and that plaintiffs' use of the letters "B. & S." was not an infringement of defendant's registered trade-mark in the letters "S. B."

Third: In that the Court of Appeals further erred in deciding and adjudging that the order granting the plaintiffs in said injunction suit a temporary injunction forbidding the use by the plaintiffs in error of the initial letters of their firm name, Burt & Sindele, upon their cough drops, or their labels and packages, during the pendency of that suit, and which was granted upon affidavits only, and which had been duly reversed upon appeal by the Circuit Court of Appeals in and for the Second Circuit, during such pendency, was *prima facie* evidence that defendant had probable cause to begin that action for a permanent injunction against the plaintiffs in error against their use not only of their initial letters "B. & S.," but also against the use of their labels and packages and cough drops, and thereby refused to give due force and effect to such order of reversal, and to the said final judgment in said injunction suit, which said order of reversal and final judgment then remained,

and still remain unmodified and unreversed, and in full force and effect, and were both alleged and proved by the plaintiffs in error herein.

Fourth: In that the Court of Appeals also erred in its said decision and judgment in holding and adjudging in and by its said decision and judgment that under Section 7 of the Trade Mark Statute of the United States, approved March 3, 1881, entitled "An Act to Authorize the Registration of Trade Marks and Protect the Same," the registration by the defendant in error of the letters "S. B." (though no proof was given herein by the defendant
227 in error of such registration, or any other evidence) was *prima facie* evidence of his common law right, and was some evidence that he had probable cause to institute said injunction suit, contrary to the adjudication made by the said order of reversal made by the Circuit Court of Appeals, and to said final judgment in said injunction suit, and thereby refused to said order and said final judgment their due force and effect, and denied their validity.

Fifth: In that the Court of Appeals also erred in said decision and judgment in holding and deciding that certain allegations of judgments or orders, or portions thereof, by this defendant in error in his complaint in the injunction suit, which judgments and orders were not in evidence upon the trial of this action except as shown in the comlpaint in the injunction suit, (and which were not sufficiently alleged in said complaint to have made them competent as evidence if they had been properly exemplified), were some evidence of probable cause for the defendant in error to begin said injunction suit, contrary to the decision and adjudication in and by said order of reversal in the Circuit Court of Appeals, and in and by the final judgment rendered in said injunction suit, and thereby denied their validity, and plaintiffs' rights thereunder, and refused them their due force and effect.

Sixth: In that said Court of Appeals in and by its said decision and judgment as stated in the opinion of said court as follows:

"We think their own evidence shows that the defendant *had* "*probable cause to commence the action and procure the injunction* "*because* the packages and drops of the plaintiffs resembled his own "so closely as to be calculated to deceive the careless and unwary. "The average purchaser would not know the difference."

held, decided and adjudged contrary to the final judgment between the same parties in the said injunction suit in the U. S. Circuit Court, thereby denying its force and validity, and the rights
228 of plaintiffs in error specially set up and claimed thereunder, and refusing to give it its due force and effect.

Seventh: That said judgment granted by the said Court of Appeals deprives the plaintiffs in error of their property and rights in property without due process of law, and deprives them of the equal protection of the laws contrary to the provisions of the Constitution of the United States, to-wit: of Article XIV, Section 1, in the respect that it has decided and adjudged that the defendant in error is entitled as matter of law to final judgment upon the appeal upon the same facts upon which a directly contrary decision had been

reached by the final judgment in a former action between the same parties in the United States Circuit Court for the Northern District of New York, and thereby has denied the plaintiffs in error any opportunity for a trial of the case upon the merits, and has wholly deprived them of such right, and of their right to judgment absolute under the stipulation which was given by the defendant in error upon his appeal to said Court of Appeals.

Eighth: That said judgment granted by the said Court of Appeals deprives the plaintiffs in error of their property without due process of law, and deprives them of the equal protection of the law contrary to the provisions of the Constitution of the United States aforesaid, in the further respect that it has held the order of temporary injunction granted in said injunction suit as evidence of probable cause for the beginning of such suit, notwithstanding that by the law of New York, and by general jurisprudence, the plaintiffs had a right of action to recover damages caused by such temporary injunction without bond, by an action for a malicious prosecution of the suit in which said injunction was granted, and had no other remedy therefor; and that that court has so held notwithstanding the
229 said temporary injunction had been finally reversed, and vacated on appeal, and that thereafter, and before the beginning of this action there had been final judgment upon the merits in the injunction suit in favor of these plaintiffs in error.

Ninth: That the said Court of Appeals of the State of New York erred in not affirming the order of the Appellate Division reversing the judgment of non-suit, and in not awarding judgment absolute in favor of the plaintiffs in error upon the stipulation of defendant in error.

Wherefore, the said Alfred H. Burt and Joseph J. Sindele pray that the decision and judgment of the said Court of Appeals of the State of New York be reversed, and that the order of the Appellate Division of the Supreme Court herein be affirmed, and that judgment absolute in favor of the plaintiffs in error be directed pursuant to the stipulation.

NORRIS MOREY,
Attorney for Plaintiffs in Error,
807 *D. S. Morgan Building, Buffalo, N. Y.*

230 Know all men by these presents, That we, Alfred H. Burt and Joseph J. Sindele, of the City of Buffalo, N. Y., as Principles, and the American Surety Company of New York, having an office and principal place of business at No. 100 Broadway, in the City of New York, N. Y., as Surety, are held and firmly bound unto William W. Smith, of the City of Poughkeepsie, N. Y., in the full and just sum of One Thousand ($1,000.00) Dollars, to be paid to the said William W. Smith, his certain attorney, executors, administrators or assigns, to which payment, well and truly to be made, said Principals bind themselves, their heirs, executors and administrators, and the said Surety binds itself, and its successors, jointly and severally, firmly by these presents.

Sealed with our seals, and dated this 18th day of April, in the year of our Lord, one thousand nine hundred and five.

Whereas, lately at a Term of the Court of Appeals of the State of New York, in a suit depending in said Court, between Alfred H. Burt and Joseph J. Sindele, Plaintiffs, and William W. Smith, Defendant, a judgment was rendered against the said Alfred H. Burt and Joseph J. Sindele, and the said Alfred H. Burt and Joseph J. Sindele, having obtained a writ of error, and filed a copy thereof in the Clerk's office of the said Court to reverse the judgment in the aforesaid suit, and a citation directed to the said William W. Smith citing and admonishing him to be and appear at a Supreme Court of the United States, at Washington, within thirty days from the date hereof,

Now, the conditions of the above obligation is such, That if the said Alfred H. Burt and Joseph J. Sindele shall prosecute said writ of error to effect, and answer all damages and costs if they fail to make their plea good, then the above obligation to be void; else to remain in full force and virtue.

ALFRED H. BURT. [L. S.]
JOS. J. SINDELE. [L. S.]

231 Sealed and delivered in presence of

[L. S.] AMERICAN SURETY COMPANY OF NEW YORK,
By Z. L. TIDBALL, *Res. Vice-Pres't.*

Attest:
WM. H. BURGESS,
Res. Ass't Sec'y.

Approved by
R. W. PECKHAM,
Associate Justice of the Supreme Court of the United States.

232 STATE OF NEW YORK,
Erie County, City of Buffalo, ss:

On this 18th day of April 1905, before me personally came Alfred H. Burt and Joseph J. Sindele to me known to be the individuals described in and who executed the within bond, and severally acknowledged the execution thereof.

[SEAL.] REGINALD P. RAY,
Notary Public, Erie County, N. Y.

STATE OF NEW YORK,
Erie County, City of Buffalo, ss:

On the 18th day of April in the year 1905, before me personally came Wm. H. Burgess, to me known, who, being by me duly sworn, did depose and say, that he resided in the City of Buffalo, N. Y., that he is the resident Assistant Secretary of the American Surety Com-

pany of New York, the corporation named in and which executed the within instrument; that he knew the seal of said corporation; that the seal affixed to said instrument was such corporate seal; that it was so affixed by order of the Board of Directors of said corporation and that he signed his name thereto by like order; and that the liabilities of said Company do not exceed its assets as ascertained in the manner provided in Section 3 of Chapter 720 of the New York Session Laws of the year 1893. And the said Wm. H. Burgess further said that he was acquainted with Z. L. Tidball and knew him to be Resident Vice-President of said Company; that the signature of the said Z. L. Tidball subscribed to the said instrument is in the genuine handwriting of the said Z. L. Tidball, and was subscribed by the like order of the said Board of Directors, and in the presence of him, the said Wm. H. Burgess.

GRACE A. McCLANATHAN,
[L. S.] *Notary Public, Erie County, New York.*

233 STATE OF NEW YORK, *County of New York, ss:*

Henry Tofts, being duly sworn, says: That he is an Assistant Secretary of the American Surety Company of New York; that said Company is a corporation duly created, existing and engaged in business as a surety company under and by virtue of the laws of the State of New York, and has duly complied with all the requirements of the laws of said State applicable to said Company, and is duly qualified to act as surety under such laws. That said Company has also duly complied with and is duly qualified to act as surety under the Act of Congress of August 13, 1894, entitled "An Act relative to recognizances, stipulations, bonds and undertakings and to allow certain corporations to be accepted as surety thereon;" that the within is a true copy of the last statement of the assets and liabilities of said Company as rendered pursuant to section 4 of said Act of Congress; that said American Surety Company of New York is worth more than $2,500,000 over and above all its debts and liabilities and such exemptions as may be allowed by law.

Subscribed and sworn before me this 24th day of Jan., 1905.

HENRY TOFTS.

A. E. COTTERELL,
[SEAL.] *Notary Public, Kings Co.*

Certificate filed in New York Co.

234 American Surety Company of New York.

Incorporated April 14, 1884.

General Offices, 100 Broadway.

Financial Statement Dec. 31, 1904.

Resources:		
Real Estate and Improvements.....	$3,000,000.00	
Stocks and Bonds.....	2,287,235.25	
Cash in Banks and Offices.....	378,804.21	
Premiums in Course of Collection...	144,328.23	
Accrued Interest and Rents.....	26,941.51	
		$5,837,309.20
Liabilities:		
Capital Stock	$2,500,000.00	
Surplus	1,000,000.00	
Undivided Profits	1,133,234.19	
Reserve for Unearned Premiums.....	793,173.24	
Reserve for Contingent Claims.....	397,803.61	
Bills and Accounts Payable, not due..	13,098.16	
		$5,837,309.20

235 *Extract from the Record Book of the Board of Trustees of the American Surety Company of New York.*

"The regular quarterly meeting of the Board of Trustees of the American Surety Company of New York was held at the Company's office, No. 100 Broadway, in the City of New York, on Wednesday, January 18, 1905, at 12 o'clock noon.

* * * * * * *

"The Secretary read the report of the Nominating Committee as follows:

"To the Board of Trustees of the

American Surety Company of New York.

"GENTLEMEN: The Committee appointed by the Executive Committee of this Company at their meeting held Wednesday, December 21, 1904, for the purpose of nominating officers of the Company, * * * for the ensuing year, beg leave to report as follows:

"We nominate for * * *

Resident Vice-Presidents at Buffalo, New York:

George V. Forman,
David R. Morse,
Clinton B. Gibbs,
Z. L. Tidball,
Nathaniel Rochester.

Resident Assistant Secretaries at Buffalo, New York:

Clinton B. Gibbs,
Robert S. Donaldson,
Wm. H. Burgess.

* * * * * * *

"Whereupon, it was

"Resolved, that the Secretary be authorized to cast one ballot on behalf of the Trustees present for the officers, members of the Executive Committee, and for the members of the Committee on Accounts, as recommended by the Nominating Committee for the ensuing year; which was done, and thereupon the aforementioned persons were declared to have been unanimously elected to their respective offices for the ensuing year.

* * * * * * *

"The following resolution was adopted:

"Resolved, that the Resident Vice-Presidents be and they hereby are, and each of them is hereby, authorized and empowered to execute and to deliver and to attach the seal of the Company to any and all obligations for or on behalf of the Company, such obligations, however, to be attested in every instance by the Resident Assistant Secretary."

* * * * * * *

STATE OF NEW YORK, *County of New York, ss:*

I, F. J. Parry, Assistant Secretary of the American Surety Company of New York, do hereby certify that I have compared the foregoing extracts and transcripts, from the Record Book of the Board of Trustees of the American Surety Company of New York, with the original record of said Board, and that the same are correct extracts and transcripts therefrom as they appear of record and are set forth and contained in said Record Book; and I further certify that I have compared the foregoing resolutions with the originals thereof, as recorded in the Minute Book of said Company, and do certify that the same is a correct and true transcript therefrom, and of the whole of said original resolutions and that the said resolutions have not been revoked or rescinded.

Given under my hand and the seal of the Company, at the City of New York, this Jan. 24, 1905.

[L. S.]

F. J. PARRY,
Assistant Secretary.

[Endorsed:] Burt *vs.* Smith. Bond.

236 (Endorsed:) The sufficiency of the surety on the within undertaking is hereby approved. John R. Hazel, United States District Judge, Western Dist. of N. Y. Dated, April 18th, 1905.

The original of the foregoing supersedeas bond was lodged with the Clerk of the Court of Appeals of the State of New York on the 22d day of April, 1905, and the following indorsement made thereon: Bond Filed April 22, 1905.

W. H. SHANKLAND,
Clerk Court of Appeals of the State of New York.

237 UNITED STATES OF AMERICA, *ss:*

[Seal of the Supreme Court of the United States.]

The President of the United States of America to the Honorable the Judges of the Court of Appeals of the State of New York, Greeting:

Because in the record and proceedings, as also in the rendition of the judgment of a plea which is in the said Court of Appeals before you, or some of you, being the highest court of law or equity of the said State in which a decision could be had in the said suit between Alfred H. Burt and Joseph J. Sindele, plaintiffs, and William W. Smith, defendant, wherein was drawn in question the validity of a treaty or statute of, or an authority exercised under, the United States, and the decision was against their validity; or wherein was drawn in question the validity of a statute of, or an authority exercised under, said State, on the ground of their being repugnant to the Constitution, treaties, or laws of the United States, and the decision was in favor of such their validity; or wherein was drawn in question the construction of a clause of the Constitution, or of
238 a treaty, or statute of, or commission held under the United States, and the decision was against the title, right, privilege, or exemption specially set up or claimed under such clause of the said Constitution, treaty, statute, or commission; a manifest error hath happened to the great damage of the said plaintiffs as by their complaint appears. We being willing that error, if any hath been, should be duly corrected, and full and speedy justice done to the parties aforesaid in this behalf, do command you, if judgment be therein given, that then under your seal, distinctly and openly, you send the record and proceedings aforesaid, with all things concerning the same, to the Supreme Court of the United States, together with this writ, so that you have the same in the said Supreme Court at Washington, within 30 days from the date hereof, that the record and proceedings aforesaid being inspected, the said Supreme Court may cause further to be done therein to correct that error, what of right, and according to the laws and customs of the United States, should be done.

Witness the Honorable Melville W. Fuller, Chief Justice of the United States, the 19th day of April, in the year of our Lord one thousand nine hundred and five.

JAMES H. McKENNEY,
Clerk of the Supreme Court of the United States.

Allowed by
R. W. PECKHAM,
Associate Justice of the Supreme Court of the United States.

239 A copy of the foregoing original writ of error was lodged with the Clerk of the Court of Appeals of the State of New York on April 22d, 1905, and the following indorsement made thereon: Copy Writ of Error. Filed April 22, 1905.

W. H. SHANKLAND,
Clerk Court of Appeals of the State of New York.

240 UNITED STATES OF AMERICA, *ss:*

To William W. Smith, Greeting:

You are hereby cited and admonished to be and appear at a Supreme Court of the United States, at Washington, within 30 days from the date hereof, pursuant to a writ of error, filed in the Clerk's Office of the Court of Appeals of the State of New York, wherein Alfred H. Burt and Joseph J. Sindele are plaintiffs in error and you are defendant in error, to show cause, if any there be, why the judgment rendered against the said plaintiffs in error as in the said writ of error mentioned, should not be corrected, and why speedy justice should not be done to the parties in that behalf.

Witness, the Honorable Rufus W. Peckham, Associate Justice of the Supreme Court of the United States, this 19th day of April, in the year of our Lord one thousand nine hundred and five.

R. W. PECKHAM,
Associate Justice of the Supreme Court of the United States.

241 [Endorsed:] E. 289. Supreme Court of the U. S. Alfred H. Burt & One *vs.* Wm. W. Smith. Original Citation on Writ of Error.

Personal service of the within citation is hereby admitted this 26th day of April, 1905.

MILTON A. FOWLER,
Attorney for Defendant in Error, William W. Smith.

242 UNITED STATES OF AMERICA, *ss:*

Court of Appeals of the State of New York.

In obedience to the Commands of the within Writ, I herewith transmit to the Supreme Court of the United States a duly certified transcript of the complete record and proceedings in the within entitled case, with all things concerning the same.

In witness whereof, I hereunto subscribe my name and affix the seal of said Court of Appeals, in the City of Albany, this 14th day of June, A. D., 1905.

[Seal Court of Appeals, State of New York.]

W. H. SHANKLAND,
Clerk Court of Appeals of the State of New York.

Endorsed on cover: File No. 19,824. New York court of appeals. Term No. 67. Alfred H. Burt and Joseph J. Sindele, plaintiffs in error, *vs.* William W. Smith. Filed July 3d, 1905. File No.

FILE COPY.

Supreme Court

OF THE UNITED STATES,

OCTOBER TERM, 1906.

Office Supreme Court, U. S.
FILED.
OCT 29 1906
JAMES H. McKENNEY
CLERK

ALFRED H. BURT AND JOSEPH J. SINDELE,
Plaintiffs In Error.

vs.

WILLIAM W. SMITH.

No. 67.

Brief For Plaintiffs In Error.

NORRIS MOREY,
JOSEPH H. MOREY,
BUFFALO, N. Y.,
Of Counsel for
Plaintiffs In Error.

THE COURIER CO. OF BUFFALO.

Supreme Court

OF THE UNITED STATES.

OCTOBER TERM, 1906.

ALFRED H. BURT and JOSEPH J. SINDELE,
Plaintiffs in error,
vs.
WILLIAM W. SMITH.

No. 67.

BRIEF FOR PLAINTIFFS IN ERROR.

STATEMENT.

The plaintiffs in this action seek to recover the damages suffered by them from the malicious prosecution by this defendant of an injunction suit against these plaintiffs, and the obtaining and enforcement of a temporary injunction therein. (Complaint, Record pp. 1–4.)

(The marginal paging of the Record will, for convenience, be referred to as "Folio.")

The injunction suit was in the United States Circuit Court, Northern District of New York.

In the complaint in the injunction suit this defendant, Smith, (then plaintiff), alleged that he was a citizen of the State of New York, doing business under the name

of Smith Brothers, and had conducted the business of manufacturing and selling cough drops at Poughkeepsie, N. Y., since October 21, 1894, having then succeeded to the same business theretofore conducted by Smith Brothers since 1873; that for more than eighteen years (to wit, since 1877) the said cough drops had been of a certain described general appearance and color, with the initials "S. B." stamped on one side, and that they had been put up in pasteboard boxes of a described size and color, and with certain printed matter thereon. The *details thereof are particularly* set forth in said complaint. (Record, heads 2 and 3, p. 28.)

A fac-simile of the package is annexed to the complaint, and shows, more clearly than a description can do, the appearance of, and inscriptions on, the label and package. (Record, opp. p. 38, fol. 73.)

Said complaint also alleged that Smith Brothers had caused to be registered two trade-marks, one upon the two bust-portraits (which are two large and striking heads and are plainly the characteristic and distinguishing features of their label and package); and the other being (Certificate No. 22,294) registered January 3, 1893, upon the initial letters "S. B." The certificates of these registrations are annexed to said complaint. (Record, pp. 13, 40–43.)

No allegation or claim was made of any violation of the trade-mark upon the two bust-portraits of male figures.

The complaint in the injunction suit further alleged that these plaintiffs were citizens and residents of the State of New York and were also manufacturers and vendors of cough drops, and that they used a package

and label containing certain printed inscriptions. The details of plaintiff's package, label and drops and the inscriptions thereon are particularly set forth in said complaint (p. 37, Head 21,) and *a fac-simile* thereof *is annexed to said complaint.* (Record, opp. p. 56, fol. 105.) That complaint alleged, and asked judgment on, two causes of action, to-wit, (Record, p. 38, Heads 24, 25): (1) Upon the alleged infringement of its *registered* trade-mark in its initial letters "S. B." by the use by these plaintiffs upon their packages and labels and cough drops of the initial letters of their firm, with an ampersand between them, to wit: "B. & S."; and, (2) upon the alleged ground that the packages and labels of these plaintiffs (shown in the record, opposite page 56,) were a simulation and deceptive imitation of defendant's common-law trade-mark and defendant's peculiar label. (As shown in record, opposite page 38.) Of the former the U. S. Circuit Court had jurisdiction; of the latter the U. S. Courts had not jurisdiction. (Complaint in the injunction suit, record, pp. 27–57.) A copy of the certificate of defendant's registered trade-mark, No. 22,294, of which infringement was alleged, is annexed to the complaint. (Record, pp. 13–15, repeated, pp. 42–43.) The certificate expressly declares that:

> " The essential feature of our trade-mark consists "of the letters S. B.";

and that the other printed matter on the package and label

> "may be differently arranged, *or may be omitted* "*and other matter substituted* without materially "altering the character of the trade-mark, *the essen-* "*tial feature* of which, as heretofore stated, con- "sists of the letters S. B." (Record p. 13, 42):

That complaint further alleged

> "That the public have been deceived and induced "to believe that the defendant's inferior and un- "wholesome product is that of your orator, and that "the reputation of your orator has been, and is "being thereby greatly damaged."

(Record, p. 38, Par. 22); and that by the said alleged infringements and simulations the defendant was suffering great and irreparable loss and injury, (Record, p. 36, Par. 20); and further asked for a temporary injunction; and for a decree of permanent injunction; and an accounting of income and profits, and of such alleged damages. (Record, p. 38, Par. 24, 25, 26).

The complaint was signed and verified by Charles A. Brown, defendant's attorney, at Chicago, Ill., (p. 39). These plaintiff's answered in the injunction suit admitting their use of their own initial letters "B. & S.", and of their package with the inscriptions thereon (as shown in the Record opposite page 56); but denied and put in issue among other things, the claim that they had no right to use their own firm initials "B. & S.," or that such use was an infringement of defendant's registered trade-mark in the letters "S. B.", and denied that their label, or package, or drops, or the inscriptions thereon were simulations or infringements of the defendants; or that the public, or any part thereof, had been deceived; or that their cough drops were inferior, or unwholesome; or that the defendant's reputation had been, or was being damaged, as alleged. (Record, pp. 58-62.)

This defendant applied for, and obtained in the injunction suit, an order for a temporary injunction bearing date April 8, 1895, and a writ of injunction was issued thereon and served upon these plaintiffs on April

16, 1895. (Record, pp. 63–4.) Thereby these plaintiffs were enjoined

> "from infringing the complainant's trade-mark "No. 22,294 *by stamping the letters "B. & S."* upon "cough drops sold by them and upon the boxes in "which said cough drops were sold." (Fol. 117.)

No undertaking was given upon the granting of said injunction. (Record, p. 66.) These plaintiffs appealed from the injunction order to the Circuit Court of Appeals on or about April 30, 1895. (Record, pp. 64–65.)

Immediately upon the allowance of the temporary injunction, and on April 12th, Messrs. Barton & Brown, the counsel in that action for this defendant, wrote to these plaintiffs saying, "We shall of course get a final decree against you," and suggesting that plaintiffs make a statement of the number of boxes and cough drops they had sold, with a view to a settlement, and concluding:

> "If we do not get a favorable reply within five "days we shall withdraw any suggestion of settle- "ment, and proceed at once with proof for final "hearing. We address you instead of your counsel, "*as we do not have Mr. Morey's address.*" (Record, p. 70.)

Soon after, and on April 22d, Barton & Brown wrote plaintiffs another letter, in which they said:

> "In view of your recent letter explaining the "delay, we have not taken any further steps regard- "ing the matter, but *shall have to proceed promptly "with the taking of proof* for final hearing *unless* you "advise us that you are prepared to make an offer "of settlement &c. We beg to call your attention "to the fact that the use of stationery you are "sending out is an infringement of the trade-mark "of William W. Smith, and a violation of the injunc- "tion &c."

In fact *no notice of taking proofs was ever given*, and no proof ever taken by these defendants in that action. (Record, p. 71, fol. 132.)

The order of temporary injunction was reversed *upon the merits* upon the appeal therefrom to the Circuit Court of Appeals on January 31, 1896, and the writ of injunction vacated. (Record, p. 65, fol. 122.)

The opinion upon such reversal, among other things, states as follows:

> "It seems too plain for argument that if the trade-
> "mark registered is only for the two letters 'S. B.'
> "arranged in that order, it is not infringed by the
> "mere use of the combination 'B. & S.' " (Record, pp. 15–17.)

This defendant (plaintiff in that action) having taken no proofs, and time therefor having expired, these plaintiffs duly noticed the case for trial at the Albany January Term, 1896, and the following decree was entered therein on February 3, 1896;

> "Ordered and Decreed, that the complainants,
> "bill of complaint in the above entitled action be,
> "and the same hereby is dismissed *upon the merits.*"
> (Record, p. 65, fol. 122.)

This decree was never appealed from nor modified.

A copy of the record in that action was duly certified (p. 65, fol. 122), and was received in evidence in this action as plaintiff's Exhibit "E." (Record, pp. 27–65.)

The *complaint in this action* alleges the use by these plaintiffs of their initial letters "B. & S." and of their label and package; and alleges the proceedings in the U. S. Circuit Court in the former action between the same parties, *and that final judgment upon the merits was rendered in favor of these plaintiffs;* and that said

action was brought and prosecuted, and the injunction obtained and enforced therein, maliciously and without probable cause; and further alleges the damages suffered by them by reason of such action, and the obtaining and enforcement of said temporary injunction, in the sum of $24,000., besides their expenses in the defense of said action of $1,289.55. (Record, pp. 1–4.)

The answer herein admits substantially all the allegations of the complaint, except as to damages, and except that it denies that any of the allegations of the complaint in the original action were false and malicious; and denies that said action was begun and prosecuted maliciously and without probable cause; and further denies that the temporary injunction was a temporary injunction, but declares that it was a judgment. It admits and re-affirms the allegations of the complaint as to the pleadings and proceedings of record in the former action by making the judgment roll therein a *part of the answer.* (pp. 5–9.)

It further alleges in the fourth head thereof (P. 9, fol. 15) as a partial defense, that subsequent to the injunction suit this defendant had commenced an action against one Ferdinand Bunte and another, residents of Chicago, and had procured in said action an injunction and judgment, entered on March 13, 1897, perpetually enjoining said Bunte Brothers & Spohr from selling the cough drops, or boxes for cough drops, of the plaintiffs herein. (P. 9, fol. 15.)

Upon the trial, plaintiff offered to show from depositions produced the facts of said suit thus alleged in the answer; to wit, that this defendant brought said suit on March 10th, 1897, (more than a year after the judg-

ment had been rendered against him in the injunction suit in New York) against Bunte Brothers & Spohr, who had plaintiffs' cough drops for sale in Chicago, and that without any notice being given to these plaintiffs, judgment was obtained *collusively and by arrangement, three days later*, for a permanent injunction against the sale of plaintiffs' cough drops; and that said action was brought upon substantially the same complaint with the necessary change of names and with the same attorneys as the previous injunction suit in New York. This evidence was excluded, and exception taken. (Pp. 97–100, 103.)

As a part of their evidence in chief herein, the plaintiffs produced and read in evidence the injunction order, and the writ of injunction, and the proof of service thereof. (Pp. 63–4.) Thereafter counsel for the defendant moved to strike out the order of injunction, and all the subsequent papers, on the ground that the affidavits read upon the granting thereof had not been also put in evidence by the plaintiff. (P. 66, fol. 124.) This motion was at that time denied. Thereafter this ruling was reversed by the Trial Court and it was ruled that the record of the injunction order, and the injunction should be stricken out *unless plaintiffs should also offer in evidence the affidavits* on both sides read upon the granting of the injunction order; to which ruling plaintiffs' counsel duly excepted. (pp. 74–5, fols. 139, 140.) But under compulsion of the ruling of the court, the papers were then offered and received in evidence. Notice of motion and affidavits (Pp. 75–91). These affidavits were a material and essential part of the grounds stated by the Trial Court for the granting of the non-suit. (Pp. 105–6.)

The Trial Court also excluded evidence offered by the plaintiffs tending to show that defendant's allegations in his complaint in the injunction suit that plaintiffs' cough drops were unwholesome and inferior to defendant's, were false, and known by the defendant to be false. (P. 68, fol. 128–9; pp. 96–97, fols. 179, 180; Exhibit "G", pp. 68–69, fol. 128). This was a very material and important allegation to set in motion the discretion of the Court to grant the temporary injunction; and if the allegation had been found false by a jury, would have made the temporary injunction, and even a judgment—if defendant had obtained one—unavailing as a defense to this action.

At the close of plaintiffs' proofs, the Trial Court granted defendant's motion for a non-suit, placing such decision wholly upon the ground *that the order of temporary injunction in the former action was a bar to this action*, and was final and conclusive evidence as between the parties hereto that the defendant had probable cause to begin and prosecute that action. Plaintiff excepted. The plaintiffs thereupon asked that the case be submitted to the jury upon the whole evidence; also on the question of probable cause. The court denied these requests and plaintiffs excepted. (Record, pp. 105–106.)

The plaintiffs' exceptions were ordered to be heard at the Appellate Division in the first instance. (Record p. 20.)

Upon the hearing of the plaintiff's exceptions at the Appellate Division that court ordered and adjudged that the plaintiff's exceptions be sustained, and the motion for a new trial granted, holding that the temporary injunction was not a bar. (P. 107, fol. 200; Opin-

ion of Appellate Division, pp. 111–114. Reported in 84 App. Div., 47.)

The defendant thereupon appealed to the Court of Appeals from the order and judgment of the Appellate Division, and on such appeal gave a stipulation for judgment absolute, as required by the New York Constitution and Code, upon an appeal to that Court from an order granting a new trial. (Fol. 202, pp. 108–109.)

The Court of Appeals thereupon reversed the order of the Appellate Division, and affirmed the judgment of the Trial Court, with costs in all the courts. (P. 115, 120). From this judgment of the Court of Appeals the plaintiffs have sued out this writ of error to this court.

DECISION OF THE COURT OF APPEALS AND QUESTIONS ARISING THEREON.

To give that Court jurisdiction of such appeal it was requisite that the appellant should stipulate that in case that court should affirm the order granting a new trial, judgment absolute should be rendered against the appellant.

N. Y. Constitution, Art. 6, §9.
N. Y. Code of C. P., §190.
Mundt vs. Glokner, 160 *N. Y.*, 571, 575.
People vs. Gaffey, 182 *N. Y.*, 258.

Appellant did so stipulate. (Record, fol. 202).

The Court of Appeals has jurisdiction only "to review questions of law."

N. Y. Constitution, Art. 6, §9.
Code of C. P., §190.

Only questions of law were presented by the appeal, because the nonsuit had prevented any verdict, and the case was heard under the order of the Trial Court upon the exceptions only.

Upon the new trial which had been ordered by the Appellate Division the plaintiff would have had the right to present other and additional evidence, either oral or documentary.

As an appeal taken with a stipulation for judgment absolute under the above requirements gives to the appellant the option in that way to forever prevent and bar a new trial, it has been the rule of law, long settled by the Court of Appeals, in New York that upon such appeal the order for a new trial cannot be reversed, but judgment absolute must be rendered upon the stipulation, *unless* it conclusively appears as matter of law upon conceded facts, or upon documentary proofs, or official records which are not disputed, or upon facts specifically found by a jury, or a trial court, that the respondent certainly cannot recover upon a new trial upon any possible state of the evidence which may be then presented.

Dixon vs. James, 181 *N. Y.*, 129, 131.
Benedict vs. Arnoux, 154 *N. Y.*, 724, 727, *reviewing many previous authorities.*
New vs. Village of New Rochelle, 158 *N. Y.*, 43.
Ross vs. Caywood, 162 *N. Y.*, 259, 262.
McNulty vs. Mt. Morris El. L. Co., 172 *N. Y.*, 419.
Lopez vs. Campbell, 163 *N. Y.*, 340, 345.

The rule stated by Earl, J., is as follows:

"It is only when the Appellate Court can say "that no possible state of proof applicable to the

"issues in the case will entitle the respondent to a "recovery, that a new trial should be denied to him "upon a reversal of his judgment."

Foote vs. Ætna Life Ins. Co., 61 *N. Y.*, 571, 575.

The judgment awarded by the Court of Appeals is a "final judgment," because it is one which finally determines the action.

N. Y. Code of C. P., §1200.
Van Arsdale vs. King, 155 *N. Y.*, 325.
Gates vs. Canfield, 2 *Civ. Proc.*, 254.
Central Transportation Co. vs. Pullman Co., 139 *U. S.*, 24.

Still further, by such an appeal, the appellant, to avoid a new trial on the merits, takes the risk of every error appearing in the record; and stipulates that the court shall affirm if it finds any error in the record to the prejudice of the respondent either upon rulings on evidence or otherwise.

Cobb vs. Hatfield, 46 *N. Y.*, 533.
Bank of China vs. Morse, 168 *N. Y.*, 458, 471, 483.
Reed vs. McConnell, 133 *N. Y.*, 425, 430.
Roberts vs. Baumgarten, 126 *N. Y.*, 336, 340-1.
Jenks vs. Thompson, 179 *N. Y.*, 20, 25.
Caswell vs. Hazard, 121 *N. Y.*, 484, 491.

This rule applies even though the decision of the exceptions would not necessarily determine the rights of the parties. The exceptions must be clearly frivolous.

Cobb vs. Hatfield, 46 *N. Y.*, 533, 538.

This rule requires the consideration and determination of every exception to rulings upon evidence taken by

respondent upon the trial, unless the Court of Appeals shall decide (as upon the other question above referred to) that it conclusively appears *as matter of law* upon unchallenged documentary proofs, or conceded facts in the case, that the plaintiff and respondent cannot by any possibility recover upon a new trial, and that the exclusion of the evidence or other error could not have possibly harmed the plaintiff.

The opinion refuses to decide the exceptions to the rulings adverse to plaintiffs upon questions of evidence, and reversed the order granting a new trial. (See last page of Opinion, p. 120.)

That Court, was advertent in that respect to the constitutional and statutory rules as set forth by its own decisions, and therefore finally places its decision upon the ground that, by the documentary and conceded evidence of the labels and packages and drops and the inscriptions thereon, which were alleged in the pleadings *by both parties*, and proved by the plaintiffs, (namely, by the production of the record of the injunction suit), the plaintiffs, as matter of law, were conclusively shown to have wrongfully simulated and imitated the defendant's packages, labels and drops; and to have infringed their registered trade-mark in the letters "S. B." by plaintiff's use of their own initial letters "B. & S."

In finally stating its conclusion and the grounds thereof, the opinion says, (Record, p. 120):

> "The burden of proof was upon the plaintiffs to "establish a want of probable cause, but we think "*their own evidence shows* that the defendant had "probable cause to commence the action and "procure the injunction, *because* the packages and

"drops of the plaintiffs resembled his own so closely "as to be 'calculated to deceive the careless and " 'unwary.' The average purchaser would not "know the difference."

"We are asked to affirm the order of the Appellate "Division upon the ground that the Trial Court "erred in some of its rulings relating to evidence. "We have examined the exceptions relied upon, "but are of the opinion that if the ruling had been "the other way in each instance, the substantial "facts which control the question of law as to "probable cause would have remained unchanged. "As the plaintiffs failed to show a want of probable "cause, they failed utterly, and the order of the "Appellate Division granting them a new trial must "be reversed and the judgment of the Trial Court "affirmed, with costs in all courts."

STATEMENT OF ERRORS.

(1) The decision set forth in the opinion is in direct contradiction to the final judgment upon the merits, rendered in the injunction suit.

The question as to whether plaintiff's drops, packages and labels so closely resembled those of the defendant as to be an infringement of his registered trade-mark, and of his common law trade-mark rights, was directly in issue under the pleadings in that case; and the final judgment determined, once for all, that there was no such resemblance and no such infringement. The decision and judgment of the Court of Appeals is based on its conclusion that there was such resemblance and *was* such infringement, and it, therefore, directly denies the force and validity of that judgment.

(2) The same judgment determined the validity and truthfulness of the facts alleged in the *answer* in the injunction suit by way of affirmative defense, to wit:

that defendant had no priority or any trade-mark right in the matters in respect to which the complaint therein alleged infringement by these plaintiffs.

The decision of the Court of Appeals in that respect also denies the validity and force of that judgment.

It is believed that this denial of the authority of the *former judgment* is so clear and obvious that any reference to other errors is not requisite; but as they are upon the same line, and closely related in the argument, it is only just to plaintiffs that, upon this final hearing, they should be presented.

(3) That said judgment of the Court of Appeals deprives the plaintiffs in error of their property, and rights in property, without due process of law, and deprives them of the equal protection of the laws, contrary to the provisions of the constitution of the United States, to wit: of Article XIV, §1, in the following respects, to wit:

(a) That there has not been any trial upon the merits by a court having jurisdiction to try.

There was a mis-trial in the Trial Court; the Trial Court having refused to try anything but the question as to whether the temporary injunction was a bar.

Fisk vs. Henarie, 32 *Fed.* 417, 425-7.

That nonsuit if affirmed by the Appellate Division would have been no bar to a new action, and not *res adjudicata* as to any fact. The Court of Appeals has only appellate jurisdiction. The judgment awarded by it without any findings or verdict by a Trial Court, and after stipulation for judgment absolute by appellant, is necessarily

a bar, and *res adjudicata* upon the question of resemblance and infringement in favor of this defendant. All those questions had been adjudicated in favor of the plaintiffs in the injunction suit:

(b) The power of the Court of Appeals is restricted by the Constitution to the decision of questions of law only; but contrary to such constitutional restriction, and its own decisions thereon, it has examined and decided a question of fact, and has, therefore, without power, rendered its judgment upon the same as a question of law.

(c) The Court of Appeals had no power to give life to the reversed and annulled temporary injunction, to deprive it of its discretionary character, or to endow it with the quality of a judgment, as prima facie evidence or otherwise; or to make such temporary injunction effective to any extent to take from the plaintiffs the right of action which had accrued to plaintiffs, for the damages caused by the same injunction.

ARGUMENT.

FIRST.

The decision and judgment of the Court of Appeals are in direct contradiction to the adjudication contained in the final judgment upon the merits rendered by the U. S. Circuit Court in the injunction suit.

I. *The opinion of that court so states.* The judgment entered thereon contains merely a naked statement of the reversal of the order for a new trial, and the affirmance of the nonsuit.

The opinion, therefore, must be referred to, to ascertain upon what the court based its conclusion and judg-

ment. The preliminary discussion in the opinion which leads up to the statement of the conclusion reached by the court, and the grounds thereof, is a discussion of the question of *infringement* as a question of fact. To support the argument in favor of infringement it first holds the reversed order of temporary injunction as *prima facie* evidence both as to the registered and the common law trade-mark, and then refers to the "size, color and appearance of the cough drops and packages used by the respective parties" in considerable detail. The argument for infringement is made mainly from the temporary injunction, and the size, color and general appearance of the drops and packages. It holds that the case presented to it was legally the same as that presented to the District Judge on the application for the temporary injunction; and in that respect erroneously states that it did not appear that the new facts proved on this trial were known to the defendant. (Record, pp. 119–120.) Its argument, therefore, is made wholly from the record—which is simply the record of the pleadings and affidavits in the injunction suit. It treats the question of probable cause as being identical with the question of infringement, and finally holds, (as it was necessary to do in order to reverse the order granting a new trial), that infringement, and, therefore, probable cause was established in this action by the documentary evidence of the packages and drops themselves, and that this conclusion to that effect from the evidence could not by any possibility be changed by any further evidence that might be produced upon a new trial, and, therefore, that plaintiffs had "failed utterly," and there was no need to decide the merit of any of the exceptions.

This preliminary discussion will be further considered more in detail later in this brief; it is only referred to now as showing the way by which the opinion reached its final conclusion. That conclusion and the grounds thereof are stated in the last two paragraphs of the opinion, as follows:

> "The burden of proof was upon the plaintiffs to "establish a want of probable cause, but we think "their own evidence shows that the defendant had "probable cause to commence the action and pro- "cure the injunction, *because* the packages and "drops of the plaintiffs resembled his own so closely "as to be 'calculated to deceive the careless and " 'unwary.' The average purchaser would not "know the difference.
> " We are asked to affirm the order of the Appellate "Division upon the ground that the Trial Court "erred in some of its rulings relating to evidence. "We have examined the exceptions relied upon, "but are of the opinion that if the ruling had been "the other way in each instance, the substantial "facts which control the question of law as to "probable cause would have remained unchanged. "As the plaintiffs failed to show a want of probable "cause, they failed utterly, and the order of the "Appellate Division granting them a new trial must "be reversed and the judgment of the Trial Court "affirmed with costs in all courts." (Record, p. 120, fol. 222.)

The statement of the conclusion of the opinion, as quoted above, gives as the sole ground for the conclusion and judgment reached, that

> "*because* the packages and drops of the plaintiffs "resembled his own so closely as to be 'calculated " 'to deceive the careless and unwary'."

This quotation of "calculated to deceive the careless and unwary" is quoted in the previous paragraph of the

same opinion from the opinion in Colman vs. Crump, (70 N. Y., 574, 578), and is there followed by the conclusion that where there is such resemblance "the injured party is entitled to relief."

The only meaning is that upon such resemblance being established the plaintiff becomes entitled to a judgment for a permanent injunction.

The exact question whether there was such resemblance between plaintiffs' initials and defendant's registered trade-mark, and between plaintiffs' drops, label and packages, and defendant's, *was directly at issue in the injunction suit, and was finally determined against this defendant by the judgment therein.*

By that judgment it was adjudged once for all—both as matter of fact and of law—that there was no such resemblance as was "calculated to deceive the careless and unwary."

The Court of Appeals had no more or better authority to ignore or disregard the matters alleged in the pleadings and determined by the judgment in that action, than it would have had to *reverse* or *vacate* that judgment by its opinion and judgment in this action.

In conformity with this ground of decision, the opinion does not inquire or discuss whether there was any proof sufficient to submit to a jury in favor of the plaintiffs in this action. It simply holds that without regard to the state of plaintiffs' proofs upon the trial, and without regard to other evidence that might be presented upon a new trial, the plaintiffs' label, packages, drops and initials were an infringement of defendant's,

and that, therefore it was conclusively established that defendant had probable cause.

This denied the rights of these plaintiffs under the judgment of the U. S. Circuit Court in the injunction suit and denied to that judgment the full faith and credit to which it was entitled under the constitution.

1. Any right, question, or fact in issue and directly adjudicated upon, or necessarily involved in the determination of a court of competent jurisdiction in which a judgment or decree is rendered upon the merits, cannot be disputed in a subsequent suit between the same parties or their privies; and the rule is the same whether the second suit is for the same, or for a different cause of action.

Southern Pacific R. R. Co. vs. U. S., 168 *U. S.*, 1, 49–52, *citing many cases.*
New Orleans vs. Citizens Bank, 167 *U. S.*, 371, 396–401

"This general rule is demanded by the very object "for which civil courts have been established, which "is to secure the peace and repose of society by "settlement of matters capable of judicial deter- "mination. Its enforcement is essential to the "maintenance of social order."

South. Pac. R. Co. vs. U. S., 168 *U. S.*, 1,49.
Webb vs. Buckelew, 82 *N. Y.*, 555, 559.

The finality of a former judgment between the parties and the reason therefor, was stated by Marshall, C. J., in *Ex parte* Watkins, 3 Peters, 193, 203, as follows:

"The judgment of a court of record whose juris- "diction is final is conclusive on all the world, as

"the judgment of this court would be. It is as con-
"clusive on this court as it is on other courts. It
"puts an end to inquiry concerning the fact by
"deciding it."

A judgment estops not only as to every ground of recovery or defense actually presented in the action, but also as to every ground which might have been presented under the pleadings.

Dowell vs. Applegate, 152 *U. S.*, 327, 339-340.
Nat. Foundry & Pipe Wks. vs. Oconto City &c. Co., 183 *U. S.*, 216, 233-7.

2. A *dismissal of the bill* absolutely and without words of restriction, is presumed to be upon the merits, and is conclusive upon all the material issues presented by the pleadings, whether the dismissal be by default before taking of depositions, or after a hearing on depositions.

Durant vs. Essex Co., 7 *Wall.*, 107.
Leary vs. Long, 103 *U. S.*, 3.
Lyon vs. Perin &c. Co., 125 *U. S.*, 698.
Last Chance Mining Co. vs. Tyler & Co., 157 *U. S.*, 683.
Hubbell vs. U. S., 171 *U. S.*, 203.
Baker vs. Cummings, 181 *U. S.*, 117, 125.
Barber vs. Kendall, 158 *N. Y.*, 401, 406, *citing many N. Y. cases.*

Leary vs. Long, *supra*, was judgment after a default in filing replication to answer.

Lyon vs. Perrin, *supra*, was a dismissal by default after replication.

In a case where the answer had been withdrawn, and the case thereafter proceeded to judgment, the judgment

was held to be an adjudication of the allegations of the complaint.

Last Chance Mining Co. vs. Tyler Mining Co., 157 *U. S.*, 683, 691-2.

The opinion says (P. 691):

> "The essence of estoppel by judgment is that "there has been a judicial determination of a fact, "and the question always is, has there been such "determination, and not upon what evidence or by "what means it was reached. A failure to answer "is taken as an admission of the truth of the facts "stated in the complaint, and the court may pro- "perly base its determination upon such admission."

In the case at bar the judgment determined in favor of these plaintiffs not only the allegations of the bill of complaint, but also the affirmative allegations of the answer by way of defense or avoidance.

A judgment by default is within the rule

> "that a judgment is conclusive upon all matters "embraced within the issues in the action, and "which were, or might have been litigated therein. "It is immaterial whether issue was joined by the "defendant, or tendered by the plaintiff and left "unanswered."

Goebel vs. Iffla, 111 *N. Y.*, 170, 177.
Reich vs. Cochran, 151 *N. Y.*, 127-128.
Dowell vs. Applegate, 152 *U. S.*, 327.

Where there is a dismissal of the complaint it is presumed that the judgment of dismissal is upon the merits, and covers every question put in issue by the pleadings.

Hubbell vs. U, S., 171 *U. S.*, 203, 209.
Last Chance Mining Co. vs. Tyler & Co., 157 *U. S.*, 683, 691-2.

In the injunction suit of Smith vs. Burt, et al., the judgment expressly states that it is upon the merits. If this defendant had not been content with that, his only remedy was to have applied in that action; he could not be heard to attack the judgment, or any part thereof, collaterally.

As that, however, was a suit in equity, the judgment would have been a final adjudication upon all the facts in issue in the action, without the express statement that it was upon the merits.

The Supreme Court must ascertain for itself what questions of law were presented by the record, and whether the Court of Appeals in order to reverse the order of the Appellate Division and grant final judgment, did not disregard and misinterpret the law of its own state, and also whether it did not, to reach that end, rely in whole or in part, upon conclusions contrary to those determined by the former judgment.

Louisville Gas Co. vs. Citizens Gas L. Co., 115 *U. S.*, 683.

So a question of the proper interpretation of a state ordinance was held involved in the question whether proceedings under it were in conflict with United States laws and constitution.

Yick Wo vs. Hopkins, 118 *U. S.*, 356.

To ascertain what was really decided resort may be had to the pleadings and to the opinion of the court.

Nat. Foundry & Pipe Works vs. Oconto, &c., Co., 183 *U. S.*, 217, 234.
Baker vs. Cummings, 181 *U. S.*, 117.

Even though the U. S. Circuit Court had not jurisdiction of the alleged infringement of the common-law trade-mark, nevertheless its judgment is conclusive thereon upon the parties before it and could not be questioned by them, or either of them, collaterally, or otherwise than on writ of error or appeal.

Dowell vs. Applegate, 152 *U. S.*, 327.
Des Moines N. & R. R. Co. vs. Iowa Homestead Co., 123 *U. S.*, 552.
Riverdale Cotton Mills vs. Ala. & G. Co., 198 *U. S.*, 188, 197-8.

The alleged cause of action upon the *registered* trademark was however within the express statutory jurisdiction of the U. S. Circuit Court.

The judgment, therefore, in the injunction suit was *res adjudicata* as against both parties upon both the causes of action alleged in the bill of complaint therein. By such bill of complaint the defendant as plaintiff therein submitted both causes of action for judgment.

The defendant did not amend his complaint or discontinue the injunction suit, and the judgment therein is conclusive as to both parties upon all the material allegations of their pleadings.

II. If there *could* be any doubt from the language of the opinion that its decision was based wholly upon the packages and drops of the parties, and the inscriptions thereon as conclusive evidence of infringement (and which had been adjudicated upon in plaintiffs' favor in the injunction suit), the doubt would be answered by the fact that there *are* no other documentary proofs or conceded facts in the case upon which the conclusion *could* rest.

(a) Clearly, neither the order, nor the opinion of the Circuit Court of Appeals reversing the temporary injunction, nor the judgment upon the merits in the injunction suit in favor of these plaintiffs, have any tendency to support the decision stated in the opinion of the Court of Appeals.

That decision is directly contrary to both.

(b) The decision *could* not have been rested on oral evidence, because there was no evidence in the case tending to support the decision.

All the oral evidence tended to show want of probable cause, and want of good faith and the opinion refers to it, but refuses it any weight (fol. 218, p. 117).

The defence of probable cause is made out when the defendant shows that he began his action or proceeding in good faith with the honest belief that he was entitled to maintain it, and with reasonable grounds for such belief.

If there was such good faith and honest belief, and if defendant had reasonable grounds for the belief, he will be justified.

Add. on Torts (*Woods Ed.*) *Par.* 852, 853, 880.
Heyne vs. Blair, 62 *N. Y.*, 19.
Fagnan vs. Knox, 66 *N. Y.*, 527.
Hazzard vs. Flury, 120 *N. Y.*, 223.
Long Island Bottlers' Union vs. Seitz, 180 *N. Y.*, 243.
Burt vs. Smith (*Record p.* 117), 181 *N. Y.* 1.

The defense is generally made out by evidence of circumstances tending to show that defendant had begun the former suit under an honest mistake as to the

facts, or some material facts, after using due diligence to ascertain all the facts; or by showing that the evidence known to defendant when he began his proceeding or action, failed at trial because of death or forgetfulness of witnesses.

Addison on Torts, Par. 852, 880.

There was no such evidence in this case.

There was no allegation or proof of advice of counsel. Such evidence would not have been material on the question of probable cause, but only on the question of malice.

Hazzard vs. Flury, 120 *N. Y.*, 223.
Scott vs. D. S. C. Co., 51 *App. Div.*, 321.
Wass vs. Stephens, 128 *N. Y.*, 123, 127.
Long Island Bottlers' Union vs. Seitz, 180 *N. Y.*, 243.
Wills vs. Noyes–Per Shaw, Ch. J., 29 *Mass.*, 324.
Stone vs. Stevens, 12 *Conn.*, 219.
Addison on Torts, Par. 855.
Wicks vs. Fentham, 4 *Durnf. & E.*, 248.

And to make advice of counsel competent for any purpose it must be shown that the counsel had first received a full and fair statement of all material facts, and that the advice was obtained and acted on in entire good faith.

Thompson vs. Lumley, 1 *Abb. N. C.*, 254, 261–2; *affirmed without opinion* 64 *N. Y.*, 631.

There was no evidence of any of the above facts.

On the contrary, there was abundant evidence to establish the following facts, to wit: that defendant and his counsel knew, (and they were bound to know)

that that action for the alleged simulation and infringement of *common-law* trade-mark rights could not be maintained in the State Court, upon the authority of

Trade-Mark Cases, 100 *U. S.*, 82,

decided in 1879, over fifteen years before this suit, and the U. S. Trade-Mark Law of March 3, 1888, which gives jurisdiction to the U. S. Courts of actions between citizens of the same state only upon trade-marks "which have been duly registered &c." and of later decisions interpreting the Act of 1888; that they had not probable cause to believe that the use by plaintiffs of "B. & S." could be held an infringement of defendant's registered "S. B."; that the action was brought with the hope and expectation that when plaintiffs' business was stopped by a temporary injunction plaintiffs would do (as many others are alleged in their injunction complaint to have done) to wit: allow them to take a judgment for a permanent injunction without damages, and that thereby another competitor would have been eliminated at small cost; that they believed that they could get no judgment if contest was made, and, therefore, did not take a single step, after service of the temporary injunction (except to hold on to it, and *threaten* to proceed), but suffered the complaint to be dismissed upon the merits, (Fol. 130–132); that the allegations in injunction complaint that plaintiff's cough drops were unwholesome and inferior, (Record, fol. 69, Par. 22), were knowingly false and operated as a fraud on the court which granted the injunction order; that they were unable to allege either in complaint or affidavits that any person was ever misled or even in doubt by reason of the pretended resemblance between the defendant's drops, initials, packages and labels and those of

plaintiffs. That the facts as above stated are the natural inference from the *acts* of the defendant; that by reason of the above facts, and the suit brought in Chicago a year after the complaint in the injunction suit in New York had been dismissed on the merits, in which later suit a judgment, was obtained secretly and collusively against plaintiffs' sales-agents at Chicago, thereby stopping plaintiffs' trade in the West, the jury would have been justified in finding "actual malice."

III. Again, the opinion rules only upon the exception to the nonsuit, and refuses to rule upon the other exceptions.

It could not do this and reverse the order for a new trial unless all the exceptions were absolutely harmless This could be held only in case the reversal were placed upon a ground which would prevent a recovery upon a new trial on any possible state of the evidence.

Jenks vs. Thomson, 179 *N. Y.*, 20, 25.

There was no other way, therefore, upon this record to finally defeat this action by reversing the order for a new trial and affirming the nonsuit, except to decide the case upon the ground stated in the opinion, to wit: *that plaintiffs' packages, labels and initials were* an infringement of defendant's and that *therefore* defendant had probable cause to bring his suit for a permanent injunction, and that no possible new evidence could possibly overcome the effect of such documentary proofs.

The decision of the Court of Appeals, therefore, rests, and could rest only upon the documentary proofs of the packages, labels and drops; and *it so states*.

SECOND.

All the allegations by way of affirmative defense in the Plaintiffs' answer in the injunction suit were adjudicated in their favor by the final judgment therein.

Among these were the allegations that the manufacture and sale of cough drops of the form, size and color of those manufactured and sold by the defendants, with the initials of the name of the manufacturer stamped upon one or both sides thereof, had been carried on a considerable time before the Smith Brothers began to manufacture cough drops of that size, color and shape, and with stamping thereon; and that the complainant, or Smith Brothers, never had any exclusive right or ownership to manufacture and sell cough drops of that or similar description, or containing stamping thereon; also a similar allegation as to the packages and labels used by defendant and Smith Brothers in their business, and

> "that the complainant has not, nor had the firm of "Smith Brothers any exclusive right to, or property "in the use of pasteboard boxes of that size or color "or description, or to the use of words naming the "price thereon, or to the use of printed matter "giving directions for the use of the commodities, "but that the right thereto is common to all."

(Record, pp. 58, 61, Fol. 108, 113-114).

The oral evidence in the case, including the affidavits which the Trial Court required to be put in evidence, shows these facts in detail, to wit: that up to June, 1875, the Smith Brothers had manufactured a black bullet-shaped cough drop, and had not had any initials upon it. At that time one Charles Wood, who was in their employ, received a letter from a Mr. Van Nort, of Scranton, Pa.,

enclosing one of the circular tablet-shaped cough drops, with the word "Wood" on one side. He showed these to both the Smiths, and soon thereafter Smith Brothers obtained the rollers for stamping and shaping the tablet-shaped cough drops from Mills Brothers, and thereafter manufactured them with the rollers with the initials "S. B." stamped upon them. Mr. Van Nort, who gave the idea to Mr. Wood, testified that he first saw the flattened cough drop in 1875 at Mills Brothers, of Philadelphia, who were manufacturers of confectioners' tools. Mills testified that he had made the cough-drop machinery since 1872, which produced a drop of the size and shape described in the complaint in the injunction suit; that he made the same rollers for Van Nort and Smith May, 1875, and that he first sold the rolls to Smith Brothers in October, 1875. That

> "I told him that this was a stock form the same as "the cut advertised in the catalogue, only different "initials, which catalogues are sent all over the "country. He gave me an order for a number of "rollers with 'S. B.' This was the first roller I "made for him. Machines similar to the one I have "just described have been made by other manu-"facturers, and have been in general use by con-"fectioners and manufacturers of cough drops."

(Mills, p. 96, fol. 178–9; Wood, p. 93, fol. 173–4; Van Nort, p. 92.) Affidavits to like effect:

(Wood, p. 85–6; Van Nort, p. 88–9; Wentz, p. 87–8.) Also that packages of similar size, form and color had been long in common use.

Priority of use is the only basis of a trade-mark right.

Coats vs. Holbrook, 2 *Sandf. Ch. Rep.*, 586, 594.
Liggett & Myers Tobacco Co. vs. Finzer, 128 *U. S.*, 182.

Van Beil vs. Prescott, 82 *N. Y.*, 630.
Stachelberg vs. Ponce, 128 *U. S.*, 686.
Coats vs. Merrick Thread Co., 149 *U. S.*, 562.

The former judgment, therefore, not only determined that plaintiffs had not infringed, but also determined that defendant had no monopoly or exclusive right which *could* be infringed in the matters in which the opinion of the Court of Appeals holds that the plaintiffs had infringed.

Referring to the above evidence the opinion says:

> "While some new facts were proved, it did not "appear that they were known to the defendant "when he applied for the injunction." (P. 119, fol. 220.)

This statement was wholly erroneous as to the evidence above referred to. Having wholly overlooked the meaning and bearing of this important evidence which at least made a case for the jury, it may not be surprising that the same opinion should have overlooked the meaning and bearing of the final judgment.

The opinion having rejected all the oral evidence produced by plaintiffs upon the trial on the ground above stated, the argument and the conclusion and judgment are avowedly made and rested wholly *upon the record of the injunction suit*, including the pleadings and exhibits annexed as a part thereof. They necessarily embrace *both* the causes of action in that suit, because this action could have been maintained upon want of probable cause as to either of those distinct and separate causes of action; (2 Addison on Torts (Woods Ed.) Par. 860, p. 77) and the conclusion as stated in the opinion above quoted is

"that the defendant had probable cause to com-
"mence the action *and* procure the injunction, etc."

and the injunction was confined by its terms strictly to the registered trade-mark. But the argument is mainly addressed to the question whether there was an infringement of defendant's *common-law* trade-mark rights. The conclusion and judgment necessarily embraces both.

It is only fair to say—even without taking into account the conclusiveness of the former judgment—that it is surprising and extraordinary that the opinion should hold that defendant conclusively had probable cause to believe that he could obtain a judgment for infringement of his alleged common-law trade-mark, *in an action in a United States court which had no jurisdiction* of such a cause of action; or that it should consider the discretionary temporary injunction as *competent* evidence on any issue, and especially, on the common-law trade-mark when that injunction was expressly restricted to defendant's *registered* trade-mark (Fol. 117); or that it should hold the use of plaintiffs' initials "B. & S." to be an infringement of the registered "S. B.", which latter is expressly confined to those letters.

It was also extraordinary that the opinion should hold the temporary injunction granted in discretion and on affidavits only, *prima facie* evidence, when the injunction had been regularly reversed upon appeal by the Circuit Court of Appeals, and the reversal stands unchallenged, with an opinion which said:

"It seems too plain for argument that if the trade-
"mark registered is only for the two letters 'S. B.'
"arranged in that order, it is not infringed by the
"mere use of the combination 'B. & S.' "

(Record p. 17, fol. 29).; and that the opinion should not even refer on this point to the reversal or the opinion.

It seems strange also that it discusses alleged similarity in "size, color and form" of drops and packages, as to which there *can* be no monopoly; and fails to discover that *both* the former judgment and the oral evidence establish that those matters as defendant had alleged them were matters of common right, and that in those respects defendant was an imitator, and had no priority; and that when it discusses as most important on infringement the "appearance" and "general appearance," it refers to size, form, price, color and directions to use, but *wholly omits to refer* to the *distinguishing* features of either; or to note or state the fact that for any person who could *see*—even if he could not *read*—and who knew the appearance of one of these labels, it would be quite impossible to mistake the proper advertising front of one, for that of the other.

Record, opposite pp. 38 and 56.

The two striking heads on defendants', the absence of *any* such figures on plaintiffs', and the black disk with "B. & S." in plainest letters thereon, and underneath in large type the words "Manufactured only by Burt & Sindele, Buffalo, New York, U. S. A.," seem to make it impossible to allege that they are not plainly and strikingly distinguished from each other.

Amoskeag Co. vs. Trainor 101, *U. S.*, 51.

The only things in common on the proper trade-mark face of the label are "Cough Drop" on defendant's and Cough-Drops on plaintiffs', (but with these two words on the latter widely separated by the black disk) the white paper, done in a small two ounce box, black ink,

and "Price 5 cents" differently placed, and directions to use, reading in opposite directions, and beginning and reading differently—but naturally containing the same substance, both having the same use.

The opinion discusses these similarities in these common or necessary or economical features, but omits to discover that all dealers have a like right to colors, sizes, shapes, and appropriate words of direction and price, provided their packages present other characteristic and distinguishing features;

Brown vs. Doscher, 147 *N. Y.*, 647, 651.
Brown Chem. Co. vs. Meyer, 139 *U. S.* 540.

and fails also to remark that all these matters were determined by the former judgment.

The opinion seems to overlook the fact that the *only purpose* of a trade-mark "is to give notice *who was the producer* (Canal Co. vs. Clark, 13 Wallace, 311); and that the name and address of plaintiffs, in large type on their packages, is the clearest way of showing who produced it; and of showing that "B. & S." does not stand for "Smith" or "Smith Brothers".

Amoskeag Co. vs. Trainer, 101 *U. S.*, 51.

Again, the opinion refers to what it states to be "the judgments and orders of both state and federal courts in many cases," and treats them as evidence of defendant's right both to his registered and common-law trade mark, and to the infringement thereof by plaintiffs. (Fol. 221.) This reference again illustrates the obvious haste in the making of the decision and opinion.

These so-called "judgments and orders" were only fragments which were exhibits *as a part of defendant's*

complaint in the injunction suit. They were only in evidence as a part of the record of that suit to show by the pleadings what the issues in that suit were; they were not otherwise in evidence.

The defendant offered no evidence, and, of course, did not offer those in evidence.

If the fragments annexed to the original complaint had been offered, they would have been incompetent, because they did not contain the pleadings, and were not exemplified or otherwise verified.

If properly exemplified and offered by the defendant, they would have been utterly immaterial and incompetent upon the trial of the issues in this action, *because these plaintiffs were not parties to any of the suits.*

It is a familiar rule of the U. S. Courts, that adjudications between the plaintiff and other parties in patent and trade-mark cases may be used as prima facie evidence of plaintiff's ownership *only upon an application for a temporary injunction*, and if shown *not* to have been rendered by *consent*. Such judgments against other parties are never admissible upon the trial of issues. If defendant had offered in evidence the fragments which appear in the record as above stated, they would have been both incompetent and immaterial. In the injunction suit plaintiffs did not admit any of the allegations concerning the alleged judgment and orders, but put those allegations in issue. The opinion appears to assume that everything stated in the pleadings, whether by the plaintiff, or whether admitted by him or not, was competent and material evidence against the plaintiffs here upon the issues in this action.

It should also be noted that the entire argument based upon the claims of prima facie evidence, and the

resemblance in size, color and appearance of the cough drops and packages, and of the printed directions, and otherwise, which precedes the last two clauses of the opinion, is wholly immaterial upon the decision as finally expressed in those last two clauses. Those clauses state the decision, and the grounds thereof. They recognize that the decision, which refused to consider and decide the exceptions, and which finally decided that the plaintiffs had "failed utterly," and reversed the order for a new trial, *could* only be made upon the documentary evidence of the packages and drops, and that oral or prima facie evidence could not be used. Attention is thus called to the previous argument in the opinion as above referred to, as showing that the opinion regards the question of infringement as a question of fact to be argued and decided by it upon the appeal; and as further showing the wholly erroneous course of the argument in all its details; and that it wholly overlooked and ignored the fact that the question of infringement, and every question of fact and of law involved therein had been finally decided between those parties by the judgment in the injunction suit and was not open to discussion.

The fact that that question had been so decided by that judgment; and the fact that the temporary injunction had been reversed and vacated upon the merits upon appeal; and the fact that the argument in the opinion with reference to the force as evidence in this action of the temporary discretionary injunction conclusively established that that temporary injunction was not competent at all for any purpose as evidence in another action between these parties, are wholly overlooked and ignored in the opinion.

The manifest errors and oversights in the opinion, both of fact and of law, have been pointed out in some

detail, not for the purpose of mere criticism, but as a matter of justice to the plaintiffs, that this court on this final hearing may be accurately and fully advised of the way in which the Court of Appeals reached its decision.

Upon the appeal to the Court of Appeals the only question that seemed to be directly presented for decision was the question as to whether the nonsuit could be sustained upon the ground assigned by the Trial Court to wit: that the temporary injunction was a bar. That question was fully discussed, with citation of many authorities, before the Court of Appeals; and that court was unable to conclude, and unwilling to establish as a precedent, that such a temporary discretionary order, made on affidavits, was a bar. Having reached this conclusion, it then enters upon the discussion of an entirely different question, to wit: whether upon the conceded and documentary facts in the record there was not conclusive evidence that plaintiff had infringed both the registered and alleged common-law trade-marks, and reaches the conclusion that such infringement was thus conclusively established as matter of law, and *because* of that conclusion, that defendant had probable cause, and that plaintiffs' case had "utterly failed." In thus reaching this conclusion upon its own grounds, and its own discussion, that court in its opinion has entirely overlooked the fact that exactly the contrary adjudication had been made in the injunction suit in the U. S. Circuit Court. The question thus argued and decided by it had not been discussed or decided by either of the courts below which had jurisdiction of all questions of fact. It was not, and could not have been foreseen, that the Court of Appeals would reverse the order for a new trial, and finally adjudicate upon the merits of the case, upon the determination by it of the question of infringe-

ment, directly contrary to the adjudication of the same question in the injunction suit.

The other errors and oversights have been pointed out to show the entire misapprehension in the opinion of the legal situation presented by the record; and for the further purpose of showing that the decision could not have been reached upon the ground assigned in the opinion, if the legal force of the former judgment had been observed and regarded.

THIRD.

The judgment of the Court of Appeals has been rendered without due process of law and deprives Plaintiffs of the equal protection of the Laws.

(a) There has been no trial of the issues in the action; there have been no verdict and no findings.

There was evidence to warrant a verdict for the plaintiff, but the Trial Court decided nothing, and in fact *tried* nothing, excepting the sufficiency as matter of law of the temporary injunction as a bar. That was a mistrial.

Fisk vs. Henarie, 32 *Fed.* 417, 425–7.

The opinion appears to overlook the legal consequence that although in form it affirms a nonsuit, in legal effect its judgment, unless reversed, finally disposes of the case upon the merits; and practically would be conclusive in a new action which defendant might bring against plaintiffs in the State Courts for the use by plaintiffs of their initials, or their package or label. We are unable to find that the Court of Appeals has ever before this case reversed an order for a new trial after

a mere nonsuit, and awarded final judgment. In interpreting §1337 of the Code, which is the only authority for the Court of Appeals to render a final judgment, it has held that:

> "This means, of course, such judgment as a party "may be entitled to upon *the facts found.*"
>
> *Farleigh vs. Cadman*, 159 *N. Y.*, 169, 175.

Here the Court of Appeals has tried the questions of fact and under the guise of affirming a judgment of nonsuit has in fact rendered a final judgment on the merits. This it had no power to do.

(b) The Court of Appeals has no power to decide anything except questions of law.

> *N. Y. Constitution, Art.* VI, §9.
> *Nat. Harrow Co. vs. Bement*, 163 *N. Y.*, 505, 515–516.

It has no power to try issues of fact, but has nevertheless tried and disposed of the question of infringement as a question of fact.

The only case cited by it as authority for this decision holds that infringement is a question of fact.

> *Colman vs. Crump*, 70 *N. Y.*, 573, 578.
> *S. P. C. & c. Co. vs. Miller*, 169 *N. Y.*, 475, 478.
> *Fischer vs. Blank*, 138 *N. Y.*, 244, 251.

The opinion holds the reversed temporary injunction as prima facie evidence, and then argues from the contents of the trade-marks the question of fact as to whether they were calculated to deceive, that is, whether plaintiffs infringed defendants. It has treated the question

of probable cause as identical with the question of infringement. It was not due process of law, because it was not within the legal power of the court to restore to life the reversed discretionary injunction after it had been reversed on appeal, or to use it as res adjudicata and prima facie evidence between the parties; or to convert a question of fact into a question of law.

This was a plain disregard of the limitations of its own power. The decision was made arbitrarily, and not

> "in consonance with the constitution and laws of "the state, and its own procedure"

but directly contrary thereto.

> *Kennard vs. Lousiana*, 92 *U. S.*, 480.
> *Wilson vs. State of North Carolina*, 169 *U. S.*, 586, 593.
> *Scott vs. McNeal*, 154 *U. S.*, 34, 40.
> *Hovey vs. Elliott*, 167 *U. S.*, 409.
> *Fayerweather vs. Ritch*, 195 *U. S.*, 276, 295–9.

(c) In giving *any* force as prima facie evidence to the injunction order, the rule of "due process" is directly infringed. Malicious prosecution is the *only* remedy for damages from a temporary injunction where no bond was given.

Opinion of App. Div., Record p. 113, citing authorities.

If the temporary injunction were held even *prima facie* evidence of probable cause, the remedy would defeat itself; because *prima facie* evidence is sufficient to warrant and uphold a judgment, unless overcome by other evidence. The holding that the temporary injunction was *prima facie* evidence takes away the only remedy which is given by general jurisprudence to

recover the damages caused by the same injunction, and denies "due process of law."

Such a holding would make a wrongful discretionary and temporary order granted on affidavits only, after it has been vacated on appeal, competent and *sufficient* evidence to defend the wrong-doer against an action for the damages caused thereby.

Burt vs. Smith, 84 *App. Div.*, 47, 50, *Rec. p.* 113.

FOURTH.

A federal question is presented by the record which authorizes a writ of error to this court.

United States Rev. Stat. Sec., 709.

> "The question whether a State Court has given "due effect to a judgment of a court of the United "States, is a question arising under the Constitution "and Laws of the United States."

Crescent City L. S. Co. vs. Butchers Union &c. Co., 120 *U. S.*, 141.
Deposit Bank vs. Frankfort, 191 *U. S.*, 499, 515, 520.
Nat. Foundry and Pipe Works vs. Oconto City, W. S. Co., 183 *U. S.*, 217, 233.
Tullock vs. Mulvane, 184 *U. S.*, 497 507-8.
Taylor on Supreme Court, Sec. 209.

There is a Federal question because the plaintiffs alleged and were required to prove as an essential of their cause of action, the former judgment between the same parties in the U. S. Circuit Court.

Com. Pub. Co. vs. Beckwith, 188 *U. S.*, 567, 569.

All the proceedings in the U. S. Circuit Court in the injunction suit, including the judgments and orders, and opinions, were pleaded and in evidence, and a part of the record. There can be no claim or argument that they were not before the Court of Appeals.

Green Bay &c. Co. vs. Patton, &c. Co. 172 *U. S.*, 58, 66–8.
Huntington vs. Attrill, 146 *U. S.*, 657.

A failure or refusal to consider the federal question is equivalent to a decision against the federal right involved therein.

Des Moines Nav. Co. vs. Iowa Homestead Co., 123 *U. S.*, 552.
Missouri K. & T. Ry. Co. vs. Elliott, 184 *U. S.*, 531.

If a Federal question appears in the Record and was actually decided, or was necessarily involved in the decision as made by the State Court, this Court has jurisdiction.

Brown vs. Atwell, 92 *U. S.*, 327.
Columbia W. Power Co. vs. Columbia Elec. &c. Co., 172 *U. S.*, 475, 488–9.
Wedding vs. Meyler, 192 *U. S.*, 573.
Powell vs. Brunswick Co., 150 *U. S.*, 440.
Chicago B. & Q. R. R. Co. vs. Chicago, 166 *U. S.*, 226, 231.
Kaukanna W. P. Co. vs. Green Bay S. & Miss. Canal Co., 142 *U. S.*, 254.

In the case at bar the previous judgment of the Federal Court, between the same parties, *was alleged in the complaint herein and alleged to have been a judgment upon the merits.*

The validity and force of that judgment as *res adjudicata* was not brought in question by the decision of the Trial Court, or of the Appellate Division, but it was disregarded and its force and validity denied *for the first time* by the decision of the Court of Appeals. A federal question therefore arises out of the allegations and proof of the federal judgment, and the denial and disregard thereof by the Court of Appeals.

FIFTH.

IN REPLY.

As the case is being reached earlier than had been expected, something will be said by way of reply and in possible anticipation of some part of the argument in the brief for Defendant in Error.

1. Much emphasis was laid by defendant's counsel in the argument in all the courts below upon the fact that the new style of package adopted in 1892, contained upon one end of the label proper, in small type, the words "New Style Package Adopted 1892." The statement was made in defendant's brief in the Court of Appeals as follows:

> "When they adopted the new package, Exhibit "'B', they placed upon it that favorite device of "infringers the expression 'New Style Package "Adopted 1892'."

The statement of course had nothing to do with the question of law presented to that court; but the argument was made upon it by counsel for defendant as though it were a matter of grave importance, and the court listened to the argument without question.

The undisputed facts were, that plaintiffs began in a small way to manufacture cough drops in 1891, and became dissatisfied with the appearance of the package which they had been using, and applied to one Joseph Crump, an expert in printing, to provide them with a new and more attractive design in 1892, and his design was followed in the new package. *At his suggestion* the words mentioned were put upon the new label. (Evidence of Crump, p. 21; Burt, pp. 21–3.)

The object of putting the words "New Style Package Adopted 1892" is perfectly plain and innocent, to wit: to show to persons who had become accustomed to the old package that this was a new style of package for the *same* cough drops manufactured by the *same people*, Burt & Sindele, and thereby retain as far as they might the good-will they had already acquired. In short, it was an explanation to old customers of the changed appearance of the package. Its purpose and use was obviously perfectly honest and innocent; and yet counsel has each time made the assertion as above, that this was "a favorite device of infringers," with such assurance that it has produced the impression, and very likely the belief, that this device had been used by infringers a great number of times until it had become in itself a badge of fraud; and has sought thereby to produce the impression at the outset that plaintiffs were not the reputable and honorable business men which they are, but were consciously engaged not in honorable competition, but in fraudulent competition, and that a way ought to be found to defeat them.

On its face, as above stated, it was obviously a mere effort to preserve the continuity of their good-will, and identify themselves by their new package to their old

customers. It is not placed in a conspicuous place on the label, but where it might be found, and answer any doubt of a former customer. The argument therefrom was and is absolutely groundless and deceptive. *No case* has been at any time cited or found where such an inscription on a new label has been held an evidence of fraud or unfair competition, and it is believed that there is no case which so holds. The defendant, however, being unwilling to produce any evidence upon the merits, has relied upon this confident statement, and it has been listened to, and may have produced an effect.

Again, a like use has been made of the fact appearing upon the cross-examination of the plaintiff Burt, that he had at one time been in the employ of the firm of J. Lutted & Co., who had adopted the letters "S. P." as a trade-mark, and that Lutted told him

> "that Smith Brothers had brought suit against "him (Lutted), and that he had consented to a judg- "ment being taken restraining him from using 'S. "P.'"

This evidence was received under plaintiffs' exception.

(Record, Fol. 135.)

He further testified that at the time he (Burt) was working for Lutted, the latter then stamped his cough drops "J. L."

In all the courts below defendant's counsel have emphatically claimed that this employment was in some way material and important. Obviously it had no materiality.

The same points will perhaps be again urged here. Obviously, neither of these facts have any materiality

or force against the plaintiffs as evidence that they were doing anything which they had not a lawful right to do; and they have no relation whatever to the decision of the question of infringement, or of probable cause as a question of law. It has only been thought necessary to refer to them because they have been so confidently insisted upon before the courts below, that they have been listened to upon those arguments.

2. It may be assumed that an effort will be made to escape from the effect of the denial by the Court of Appeals of the former judgment, which had determined every question of fact and law involved in the issue of infringement in favor of these plaintiffs.

The question here is not what that Court *might* have done but what it *did*.

The final fact is that the opinion expressly bases its conclusion that there was probable cause *wholly* upon the conclusion that the drops and packages themselves conclusively and finally established infringement, and that "*because*" thereof, a *want* of probable cause was affirmatively and *conclusively* established. It is not open to defendant in error to contradict the Court of Appeals upon that point, or to make for it a new decision. That Court has expressly rested its decision thereon. It found no other way to hold probable cause established as a conclusion of law not possible to be affected by any other evidence. The opinion had to rule out of consideration all the oral evidence, as that was favorable to plaintiffs, and has placed the decision (as well as the preliminary argument) upon the matters contained in the record in the injunction suit. This consisted solely of the pleadings, the temporary injunction, the opinion

granting it, and the order and opinion reversing such injunction.

It should be remembered that under the limitations imposed by the stipulation for judgment absolute after the order granting a new trial, the Court of Appeals *had no right* to and has not assumed to reverse that order and affirm the nonsuit upon the ground that the plaintiffs had failed to give evidence tending to show want of probable cause. If it had so held it must and would have affirmed the order for a new trial.

It was self evident to the judge writing the opinion, and remains self-evident that the Court of Appeals could not hold the same facts as conclusive evidence of probable cause when it had been already adjudged as between the same parties that those facts did not constitute a cause of action. If those facts were not a cause of action, as had been already adjudged, then necessarily they were of themselves evidence that they did not constitute a cause of action. The judgment that had determined that they were not a cause of action was final and conclusive *evidence* between the same parties that plaintiffs' drops, packages and labels did not so resemble defendant's as to infringe them, and therefore were conclusive evidence that they did not infringe. It is not too much to say that it would be absurd to argue, in the face of the judgment, determining that the drops, packages and labels did not infringe, that nevertheless, one of the parties to that judgment can be heard to argue, that the same drops, packages and labels were *evidence* of probable cause to believe that they were such infringement. As already stated under another point, the affirmative inference that there was probable cause cannot be made from the same undisputed facts

which were involved in the former action, and which had been adjudged not to be a cause of action, because the greater embraces the less.

If the drops and packages were conclusive evidence to the Court in the injunction suit that they did not show or evidence a cause of action, another court certainly cannot hold as between the same parties that they are conclusive evidence to support the *belief* that they were a cause of action; and, of course, no case has been found which holds that *upon the same undisputed facts*, and without proof of any other facts, the Court in an action of malicious prosecution can hold affirmatively that they establish probable cause for the former suit; *much less* that they establish it finally and conclusively upon an appeal from an order granting a new trial, with a stipulation for judgment absolute.

If the opinion had held expressly, as the former judgment determined, that the drops and packages did not evidence infringement but conclusively evidenced no infringement, the opinion *could* not then have held also that the same drops and packages were evidence to the *defendant* that there was infringement.

And the opinion goes upon the drops and packages only, and as already shown could go upon nothing else, there being stipulation for judgment absolute.

The writer of the opinion seems to have recognized the legal impossibility of this, and to have supposed that it was avoided by first determining as matter of law that there was infringement, and that, therefore, and conclusively, the defendant must have had probable cause. *The only question here, is; upon what ground did the Court of Appeals base its conclusion? It has stated* that ground

in the last two clauses of its opinion in plain terms; and it is believed that it has been shown that it could not have been made in any other way.

Because the Court of Appeals has stated its ground of decision, it is believed that the above suggestions are unnecessary, but the argument is presented here by way of anticipation, because it is supposed that the defendant's brief will seek in some way to escape the force of the former judgment.

FINALLY.

From the fact that [illegible] has strenuously avoided giving or producing evidence on his own behalf, and finally stipulated for judgment absolute rather than accept an order for a new trial upon the merits, it may fairly be inferred that there is no other defense upon the merits than shown by the record; and that [illegible] is not desirous of testifying upon the stand that this action was brought with the honest belief on his part that plaintiffs' initials "B. & S." were an infringement of "S. B.", or that labels exhibited opposite pages 38 and 56 of Record ever were, or ever were likely to be mistaken the one for the other.

A candid and careful inspection of the record can only lead to the following conclusions:

That the defendant Smith (and his firm) having been very successful in the business of manufacturing and selling cough drops, have sought to increase that success, and his profits, by stifling, not only any unfair competition, but also every new competitor who seemed likely to gain a share of the trade. The complaint in the injunction suit, and answer in this, show that they employed a firm

of attorneys in Chicago whose business seems to have been to bring suits with temporary injunctions against competitors, before they should become strong enough to resist such an attack. As already stated, and as mentioned in the opinion of the Court of Appeals, exhibits are annexed to the complaint in the injunction suit showing a large number of such suits. Some of them were obviously well brought. The dominant and extraordinarily characteristic feature of the Smiths' label is the two bust-figures and heads. The said exhibits appear to indicate that in four of those cases it appears that two bust-figures or heads had been used upon the labels. (Fols. 90, 96, 98, 103); and in another case the monogram "S. B." had been used. (Fol. 91); and in another case the letters "S. P." were used. These exhibits annexed to the original complaint are to be found in the record pages 44-57. They are eleven in all; in none of them does the name of any attorney for a defendant appear; in none of them are the pleadings set forth, and apparently the judgment was obtained in every case practically by consent, and generally a permanent injunction without damages or costs. Defendant's Chicago attorneys had apparently charge of all the cases, and had the papers, and have annexed what suited their purpose. What right he claimed as against the other defendants, except those who used the two heads, or "S. B.", or "S. P.," does not definitely appear. The general purpose seems to have been to obtain without answer, and without litigation a judgment for permanent injunction without costs or damages, and thereby eliminate them as competitors. The papers thus annexed as exhibits do not show the fact of a temporary injunction, but it may fairly be presumed that this was obtained in those cases as it was in this, and that it was

the instrumentality by which the defendants were generally paralyzed in their business, and then eliminated as competitors by a judgment of permanent injunction.

This may fairly be inferred from the course pursued with these plaintiffs. They had been in business from 1891 to 1895 as manufacturers of cough drops, and were young men who had recently started in business in Buffalo as manufacturing confectioners. They had all this time used their initials "B. & S." in a monogram upon all their envelopes, letter heads and packages, as was the general custom of confectioners and cough-drop manufacturers. They had sold goods to defendant in 1893 and 1894, and had never received from defendant any complaint or objection to their use of their initials, or the form or style of their packages. The first complaint they received from him was the service upon them of a copy of the summons and complaint in January 1895, the complaint therein setting forth the fragments of decrees against other parties, as hereinbefore stated. At the same time they served notice of application for a temporary injunction, which they thereafter obtained upon the bill of complaint, and the affidavit of an expert witness, Charles D. Haskins, who simply states the inferences which he draws from the details of the drops and labels, as set forth in the complaint. (P. 78–80). The notice of motion was for a temporary injunction upon both the registered and common-law trade-marks, as set forth in the complaint, but the order as made shows that they finally asked and obtained an injunction *only as to the registered trade-mark.*

The statement prefixed to this brief shows the course thereafter taken in this litigation. It was obviously known that the court had no jurisdiction of anything

but the registered trade-mark, and the voluminous allegations in respect to the common-law trade-mark, and that defendants' product was unwholesome and inferior, and the allegations of numerous judgments and orders, were obviously made to aid them in obtaining the temporary injunction; and the opinion of Judge Coxe shows that that was his chief reason for granting it.

Immediately thereafter followed a correspondence opened by Barton & Brown with the defendants directly, stating that they were going to proceed to take testimony unless these plaintiffs consented to judgment, and that they would surely obtain a decree, and would obtain damages and costs. An appeal was taken from the order of injunction, and could not be got to argument until the following December. In the meantime the defendant, (plaintiff in that action), refused to suspend the injunction (by which plaintiffs could have kept their business alive), but took no steps to take testimony, as they had threatened to do; upon the appeal the order of injunction was reversed holding that there was no infringement of the registered trade-mark by plaintiffs' letters "B. & S.," and that the court had no jurisdiction of the common-law trade-mark question. Thereupon these plaintiffs (then defendants) noticed the case regularly for trial; this defendant did not appear, and final judgment upon the merits was regularly taken in favor of these plaintiffs in that action.

About a year after that judgment had been rendered, this defendant brought a suit in the U. S. Court at the City of Chicago, by his same attorneys Barton & Brown, without any notice to these plaintiffs, and within *three days* after the beginning of the suit he obtained a judgment obviously by collusion, waiving costs and damages,

and finding that the boxes and cough drops shown by the affidavits and exhibits therein, were unlawful imitations of plaintiff's trade-marks and packages, but *not stating* that they were the drops, boxes and packages of these plaintiffs. (Fol. 30, pp. 97-9). The docket shows that the bill was filed March 10th, and a decree entered March 13th. Plaintiffs had no notice of this suit until the defendant, for some reason, set it forth as the fourth head in his answer. (P. 9, Judgment therein, p. 17). That was a judgment obtained, as the case shows, substantially *upon the same complaint* as used in the injunction suit here, but containing the names of the defendants Bunte, et al., instead of Burt, et al.; and thereby, without any notice to the defendant, stopped the sale of their goods in the West. Of course, if defendants had had notice, the judgment in the injunction suit here, rendered over a year before, would have been a complete defense.

These facts show the methods and course of procedure of the defendant in stifling competition.

No bond was given upon the temporary injunction against these plaintiffs. It is only a fair inference from this history that that injunction suit was brought against these plaintiffs with the expectation and for the purpose of throttling the plaintiffs in their business with the temporary injunction, obtained without any bond, and thereby to force *them* also to consent to the request which was immediately made, to permit a judgment of permanent injunction without costs or damages. And that knowing they had no cause of action, they did not attempt to prosecute that suit, but relied upon the fact that they had given no bond, and upon their strength and experience in litigation, to defeat an action of mali-

cious prosecution; and then proceeded secretly and collusively in Illinois to repeat the same action upon which they had been defeated here, and obtained a collusive judgment within three days stopping plaintiffs' business there.

Assuming that these are fair inferences of the purpose and object of the suit, (or upon any fair inferences from the Record), then it was in utter disregard of the rights of these plaintiffs; as to them it was in law wanton and malicious; and as to the courts, it was a misuse and perversion of the process given by law for the protection of the rights of citizens.

The results of this suit thus far, except in the Appellate Division, have been in full approval and ratification of such conduct on the part of defendant. The Trial Court held that the temporary injunction which was the chief ground, and principal cause of damages for which the action was brought, was itself a complete bar to the action. The Court of Appeals has now held that that was error; but that the defendant was right, and had probable cause to bring the suit, because there was in fact and in law an infringement by plaintiffs of defendant's registered and common-law trade-marks and packages, and this, notwithstanding the very judgment which was alleged, and was necessary to be alleged as a ground of this action, was a judgment of the U. S. Court upon the merits determining the same questions both as matters of fact and of law in favor of these plaintiffs.

The plaintiffs, therefore, with that which upon the record appears to be a wholly meritorious cause of action, and having suffered actual damages from the enforcement of the injunction which they have alleged and

proved amounted to about $25,000, would have been wholly without remedy except for the fact that the injunction suit, and the judgment therein which has been disregarded and ignored, were in the Court of the United States. The defendant having had the full opportunity, which by the suit which he brought in the U. S. Court he invoked and obtained, to try allegations which he made and which were put in issue upon the merits, made no effort to prove the same; and having struggled for and obtained a nonsuit upon the trial of this action, and that having been reversed and a new trial ordered, has again, by his stipulation for judgment absolute, confessed that he had no defense to present upon the merits in this action.

By the stipulation for judgment absolute, and the decision of the Court of Appeals that a wrongful temporary injunction is not its own defense, and by virtue of the judgment in the injunction suit, the plaintiffs were plainly entitled to judgment absolute in their favor.

It is therefore respectfully submitted that there should be a judgment reversing the judgment of the Court of Appeals, and remanding the case to the Court of Appeals of the State of New York, with instructions to render judgment absolute in favor of the plaintiffs and to take such proceedings as are required by law for the making and entry of such judgment; and for costs to the plaintiffs in all the Courts.

Respectfully submitted,

NORRIS MOREY,

Attorney for

Plaintiffs in Error.

NORRIS MOREY,

JOSEPH H. MOREY,

Of Counsel.

FILE COPY.

SUPREME COURT

OF THE UNITED STATES.

October Term, 1906.

Office Supreme Court
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JAMES H. McKEN

ALFRED H. BURT and JOSEPH J. SINDELE,
Plaintiffs in Error
vs
WILLIAM W. SMITH.
No 67.

Brief in Reply for Plaintiffs in Error.

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Supreme Court,

OF THE UNITED STATES.

October Term, 1906

ALFRED H. BURT and JOSEPH J. SINDELE,
Plaintiffs in Error,
vs.
WILLIAM W. SMITH.

No 67

Brief in Reply for Plaintiff in Error.

There is only time after the receipt of the brief of defendant in error to make a few suggestions; and such suggestions are made as they may possibly aid the Court in using and interpreting the briefs in chief; and also by way of correcting errors of statement.

Under the first head, page 3 of the defendant's brief, it states erroneously that plaintiff's claim of res adjudicata is upon an *order* of the Circuit Court of Appeals. That claim is made upon the final judgment.

The third statement is wholly erroneous, because it leaves out the statement of the fact that the appeal to the Court of Appeals was from an order granting a new trial, and upon a stipulation for judgment absolute.

This point is stated so fully and repeatedly in the principal brief for plaintiffs in error, that only reference is now made to it.

Under the head "facts" defendant's brief proceeds to state the evidence given on the trial, and the affidavits presented upon the injuction, and to compare them wholly overlooking the fundamental rule that a discretionary order granted upon affidavits only cannot be res adjudicata in a common law trial of issues in a subsequent suit.

Upon the first "point" (page 13, Defendant's Brief) it need only be said that the final judgment in the former suit is fully alleged in plaintiffs' complaint in this action as a judgment upon the merits and was put in evidence, and its force and validity as res adjudicata was never brought in question until by the decision of the Court of Appeals.

The decision by the Court of Appeals by its express language ignores that judgment, and denies its force and validity as an adjudication.

The argument under Points II. III, IV and V, may be briefly considered together. They wholly overlook the fact that the Court of Appeals expressly and necessarily made its decision upon the *same record and same facts* (and

no others) which were adjudicated upon in the injunction suit, and that it expressly places its decision upon its finding from that record that there was infringement; and, *therefore*, that defendant had probable cause to believe there was infringement.

The New York authorities cited on the question of probable cause do not have any materiality at this stage of the case. in view of the decision of the Court of Appeals, and the limitation of the power of that court in disposing of the questions presented. The rule as to probable cause, however, in the New York courts has been correctly stated as follows :

> "If the facts are undisputed and admit "of but one inference the question is one "of law; if disputed, or capable of oppos- "ing inferences, the question is for the "jury."

And the question of defendant's good faith in bringing the action is also a question for the jury.

Wass vs. Stevens, 128 N. Y., 123, 127.

Long Island Bottler's Union vs. Seitz, 180 N.Y.. 243, 248.

Heyne vs. Blair, 62 N. Y., 19.

Hazzard vs. Fleury, 120 N. Y., 223.

Maston vs. Deyo, 2 Wend., 424.

It should perhaps be noted that the temporary injunction was not granted until after the action

had been begun; and *can* have no force, therefore, upon the question of probable cause, unless it has force as res adjudicata, which it has not.

It need only be said with reference to the argument under Point VI, that the Court of Appeals held and stated the rule to be that the action of malicious prosecution of a civil action was maintainable where property had been interfered with by injunction (Record, p. 117), and cited cases to that effect. As shown in our principal brief, it is the rule of the New York Courts, of the U. S. Courts, and of general jurisprudence that where there is no bond the action of malicious prosecution is the *only* remedy to recover damages for the malicious prosecution of a suit in which there was an arrest, attachment or injunction.

The remainder of the argument appears to be addressed to the question as to whether there was in fact infringement; and the other question as to whether the temporary injunction was sufficient evidence of want of probable cause.

On page 29 of the brief it is stated that in the case of Crescent City L. S. Co. vs. Butcher's Union, 120 U. S., 141, it was

> "decided that the decree *pendente lite* con-
> "stituted probable cause."

That case was cited by defendant to the Court of Appeals, and to each of the other courts, and the fact was pointed out that that case decided only the question that the judgment in the pre-

vious action between the same parties which was there held to be a bar, was a *final judgment* upon the merits, and not an order or decree or judgment *pendente lite.*

The Court of Appeals decides that question contrary to defendant's contention, and it is believed that that question is not open here to the defendant in error.

All the authorities cited in defendant's brief upon the question of the effect of the temporary injunction were cited to and considered by the Court of Appeals. (Record, pp. 117-118).

Respectfully submitted,

NORRIS MOREY,

Attorney for Plaintiff in Error.

NORRIS MOREY,

JOSEPH H. MOREY,

Of Counsel.

In the Supreme Court of the United States.

ALBERT H. BURT
AND
JOSEPH J. SINDELE,
PLAINTIFFS IN ERROR,
vs.
WILLIAM W. SMITH,
DEFENDANT IN ERROR.

October Term, 1905.
No. 67.

(As Plaintiffs in Error were the Plaintiffs, and Defendants in Error the defendants, they will, for brevity, be styled "Plaintiffs" and "Defendants," in this brief.)

The only jurisdictional question stated in Defendant's Brief was that the Federal question had not been presented by pleading or exception (Defendant's Brief, Point 1, Page 13.)

The answer is given in Plaintiffs' Brief, pp. 41-43, that the former judgment was alleged in the complaint herein as a judgment on the merits.

It was also alleged in the answer (Record, first par., p. 9), and was in evidence (Record, pp. 27-65). The *facsimiles* of the packages upon which the opinion based its decision are a part of the Record of that judgment, and are shown at opp. pp. 38,56. The authorities in this court are cited

in Plaintiffs' Brief to the effect that if a Federal question appears in the Record and was actually decided or necessarily involved in the decision as made by the State Court, this Court has jurisdiction; and this even though the State Court ignored and did not refer to the previous judgment of the Federal Court. (Plaintiffs' Brief, Fourth Head, pp. 41-43.)

Among the questions suggested on the argument were the following:

Whether the questions of probable cause and infringement were not separate and independent questions, and whether the Court of Appeals did not decide the question of probable cause as such a separate question; and if so, whether that was not alone sufficient to warrant its judgment.

Whether the Court of Appeals' decision does fail or refuse to give effect to the adjudication of the previous judgment.

The thing chiefly discussed was whether as matter of law or logic that Court *could* have decided probable cause without deciding infringement.

Plaintiffs' counsel still regards that question as immaterial, because the opinion states plainly the decision and its grounds, and that it holds there was probable cause "because" it had found infringement.

I.

The question of "probable cause" cannot be said to be wholly *separate* from the question of infringement, because this is an action for a wrongful prosecution of an injunction suit *for infringement.*

If the judgment there had determined that there *was* infringement, it would thereby have determined that there *was* probable cause and barred this suit.

In other words, the question of probable cause *is* whether

Defendant had reasonable and probable cause to believe he could maintain the action *for infringement;* and when the Court of Appeals determined in this action the question of infringement in favor of Defendant, it necessarily determined that he had probable cause to sue for infringement. It assigns no other ground for its decision, and presumably it had no other, and this was obviously sufficient.

It is not admitted, however, that it is necessary for the Court or for counsel to solve the question as to whether those questions *could* be decided as wholly separate questions. The only question on this point is to ascertain what that Court *did* decide.

The Plaintiffs are in no way responsible for the decision or its grounds, but have a right to ask this Court to accept the statement of that Court as to the grounds of its decision.

It has been uniformly held that this Court will and must ascertain for itself from the Record—including the pleadings, the decree, and the *opinion*—what questions were, in fact, decided by or involved in the decision of the Court below.

Southern Pac. R. R. Co., *vs.* U. S., 168, U. S. 44-45, 49-52.

Baker *vs.* Cummings, 181, U. S. 117.

Nat. F'dry Co. vs. Oconto W. S. Co., 183 U. S., 213, 234.

This appears to be a rule of necessity, otherwise the constitutional provision would fail of its purpose. The order (or decree) of the Court of Appeals shows nothing but the fact of reversal and affirmance of the non-suit. (Record, p. 115.)

II.

There does not appear to be any room for doubt that the Court of Appeals made its decision solely on its conclusion that there was infringement, and therefore probable cause. If the judgment in the injunction suit had determined that there was infringmeent this action would never have been

begun; or if begun that judgment would have barred it. Hence there is some legal connection between those questions—such a connection that the decision of infringement necessarily determines that there *was* probable cause; and, in that way that opinion proceeds.

The preliminary argument is of the question of infringement; and finally the opinion states that it decides that there was probable cause, "*because*" it finds that there was infringement.

There is no other ground even suggested in the opinion.

How *can* it be ascertained here that if the Court of Appeals had found directly to the contrary, to wit, non-infringement, it would still have held probable cause as matter of law. And upon what ground can the statement of the opinion that it holds the one "*because*" it finds the other, be discredited.

If the opinion does not base the conclusion of probable cause solely on its finding of infringement, why does it say that, and why does it not say something else.

The suggestion has been made that the Court *could* have held probable cause without holding infringement, and that the opinion may be so interpreted.

But the language of the opinion when it says that the Plaintiffs' evidence shows probable cause "*because*" it shows that Plaintiffs' drops and packages infringed Defendants, bars this inference. *There is no ambiguity.*

It says "because," because it means "because." This Court cannot substitute another word for "because."

And the former judgment had determined that there was no infringement.

This, it is believed, is judicially the end of the argument on this point.

The Court of Appeals *must* be held to have stated accurately and truthfully in its opinion that it held probable cause *because* it found infringement.

And it is certain that that question of infringement *was not open to inquiry* in this action, *because of the former judgment.*

What that Court *might* have done or said is not open for consideration or speculation because it has plainly stated the ground of its decision.

Because, however, that question was much referred to on the argument, it will be considered briefly.

III.

Upon this Record, it is believed, there *was* no legal way for the Court of Appeals to accept and regard the former judgment, and *upon the same facts* hold probable cause as conclusion of law.

That judgment determined once for all that *the same facts,* to wit, the drops and packages, did not evidence or establish infringement, but *did evidence and establish the contrary.* The suggestion is that the trial Court or any Appellate Court might, in *this* action, have held as matter of law that *the same facts* tended to give *Defendant* probable cause to believe that they were an infringement, and that he did honestly so believe.

This apparently involves a paradox, to wit, that *the same facts* evidence and conclusively establish to one Court non-infringement, while to another Court they evidence infringement instead of non-infringement, and warrant it in holding that they furnished to the Defendant reasonable and probable cause to believe they were an infringement. If so, how did the same drops and packages evidence and establish non-infringement in the former action?

These propositions could only be reconciled in case mistake or misinformation of the facts or the law had been alleged and proved; and in case such misinformation were a defense on probable cause.

Mistake of law is not such defense in the State of New

York, but is only evidence on *malice*. Probable cause may be founded on misinformation of facts, but not of law.

Hazzard *vs.* Flury, 120 N. Y., 223.

See citations, Plaintiffs' Brief, p. 26.

The conclusive presumption of law is that every person knows the law. Ignorance of the law is not a defense in actions on contract, for torts, or even crimes.

But if it were competent as to probable cause, there were no allegations or evidence that Defendant stated the facts fully and fairly to counsel and was advised in good faith that he had probable cause to bring the injunction suit. And the stipulation for judgment absolute is, in effect, that there is no defense outside this Record. Hence the legal presumption that Defendant knew the law remained.

But again, *the end of this argument* is that the opinion positively says something else, but does not say this.

Finally.

Plaintiffs' counsel respectfully requests the Court to examine his brief in chief, and ventures to do this because it is a full and careful argument, and was not presented at the oral argument, because of the questions as to jurisdiction.

It is submitted that there can be no doubt of the jurisdiction; and that after eight years of litigation for a cause of action to which it is now admitted there is no defense on the merits, the Plaintiffs may earnestly ask that the Court fully possess itself of the facts and the law, and award them judgment.

Respectfully submitted,

NORRIS MOREY,

Atty. for Plaintiffs in Error.

In the Supreme Court of the United States.

ALFRED H. BURT AND JOSEPH J. SINDELE, PLAINTIFFS IN ERROR, vs. WILLIAM W. SMITH.	October Term, 1906. No. 67.

PETITION FOR REHEARING.

The plaintiffs in error herein respectfully petition this Honorable Court for a rehearing herein upon the grounds hereinafter set forth:

That defendant in error made no motion to dismiss the appeal for want of jurisdiction, and in his brief and on the hearing here made no argument and cited no authorities on that question; that the first suggestion of an argument against jurisdiction was in the oral suggestion of some of the Justices of this Court on the hearing, and later the statements in the opinion; that plaintiffs' counsel had examined the authorities fully on the question of jurisdiction of this Court and cited numerous authorities on that point in his brief (Point Fifth, pp. 41-43), none of which are referred to by defendant's coun-

sel in his brief or on the argument, and had fully believed the question of the jurisdiction of this Court was not seriously questioned and was not open to argument; that the trial court directed a non-suit solely on the ground that the temporary injunction was a bar, but suspended judgment until the decision of the Appellate Division; that that Court reversed the non-suit and ordered a new trial; *that the Court of Appeals was the first Court that awarded a judgment* and was the first Court that called in question in any way the effect of the former judgment as res judicata upon the issues determined by it, by placing its judgment solely and expressly upon a determination of such resemblance as constitute infringement without referring to the former judgment, and that such decision of the Court of Appeals is by the Court, described in Section 709 as "the highest court of a State in which a decision in the suit could be had," that the alleged error by such Court was duly pointed out by plaintiffs' assignments of error, that in fact and in law there *has never been any hearing, upon the merits herein* (unless in the Court of Appeals), that plaintiffs have not had any opportunity to discuss the considerations and authorities concerning the question of the jurisdiction of this Court presented in its opinion; and in the belief that this Court has jurisdiction under Section 709, and the uniform course of decisions, they respectfully pray for an opportunity by a rehearing to present that question.

In support of such application your petitioners further set forth the following grounds, to wit:

I.

The opinion here appears to recognize that the only ground upon which the Court of Appeals could reach the conclusion of reasonable and probable cause was upon the ground that the defendant stood excused because he made a "mistake of law."

It *could* not have gone on any mistake of fact because the only case where probable cause can be held by the Court as a

question of law is "where the facts are undisputed and admit of but one inference."

Hazzard vs. Flury, 120 *N. Y.,* 223, 225.
Wass vs. Stephens, 128 *N. Y.,* 123, 127.
Stewart vs. Sonneborn, 98 *U. S.,* 187.
Hayne vs. Blair, 62 *N. Y.,* 19.

But upon this record it was legally impossible for that Court to hold probable cause as a defense on the ground of mistake of law.

The rule is practically universal that every man who is charged with having violated the law, either civil or criminal, is presumed to have known the law.

Hazzard vs. Flury, 120 *N. Y.,* 223, 227.

The only relaxation of that rule in malicious prosecution is that the defendant may show that *he stated the facts fully and* "that the defendant may show that *he stated the facts fully and fairly to counsel* learned in the law *and was advised by such counsel* that he could in law maintain the action, and that he acted in good faith upon such advice.

It is not believed that there is any authority which has ever asserted that mistake of law can be availed of as a defense in malicious prosecution, on either malice or probable cause, except upon proof of "advice of counsel."

Thompson vs. Lumley, 1 *Abb. N. C.,* 254, 261-2; *Affirmed without opinion,* 64 *N. Y.,* 631.
Addison on Torts (Woods Ed.), Par., 855, *p.* 74. *Note* 1, *citing cases.*
Stewart vs. Sonneborn, 98 *U. S.,* 187.
Crescent City, etc., Co. vs. Butchers' Union, 120 *U. S.,* 141.

The record in this case shows no allegation or evidence of advice of counsel. In New York such advice is admissible on the question of *malice, but not on probable cause.*

Hazzard vs. Flury, 120 *N. Y.,* 223, 227.

And as probable cause can never be decided as a question of law except on undisputed facts, it was not open to defendant on the appeal to claim any mistake of fact; its only possible ground for reversal was that the undisputed facts, to wit, the packages and drops conclusively established reasonable and probable cause, as a pure *matter of law*. In other words, the only question presented by the record was whether in *judgment of law* the packages and drops, *without any other facts*, were of themselves reasonable and probable cause to believe that the action could be maintained; not what some person or judge might conjecture or erroneously decide, but what the *law* now and always says.

The defense of probable cause nearly always rests on evidence of other facts—as some mistake or deception in facts or failure of evidence or in some jurisdictions on "advice of counsel"—but here *the defense rests wholly on the identical facts which were adjudicated upon in the former action.* Not only does the decision of probable cause by the Court exclude every inference from facts, but the non-suit and the limitation of jurisdiction of that Court bound it to the pure question of law, to-wit, does *the law* say conclusively that *as matter of law* the packages and drops alone were reasonable and probable cause. These are the vital facts, which were insisted on in plaintiffs' brief, but not expressly referred to in the opinion.

The defendants gave no evidence, but stipulated judgment absolute, and the question of reasonable and probable cause was necessarily adjudged *on the facts only*, which were adjudged in the former suit. This defense of mistake of law was barred in the Court of Appeals (and here) by the rule of New York and of general jurisprudence on the authorities above cited.

The only other possible defense was that the defendant *was not mistaken*, but upon the evidence of packages and drops he had *in judgment of law* reasonable and probable cause; and from the reading of the opinion and the above considerations and authorities it is respectfully submitted that it is morally impossible to hold that the Court of Appeals did not so hold, and that that is the only ground of its judgment. It was a sufficient ground, but for the force of the former judgment

between the same parties, which that court presumably overlooked or denied because it does not refer to it on that point.

In its statement of facts, however, it does state what that judgment was (Record, fol. 218); and the record of the judgment *was in evidence,* pp. 27-65.

II.

Your petitioners, in the light of the above considerations, respectfully ask the Court to review its interpretation of the opinion of the Court of Appeals.

That Court, by its opinion, fully recognizes the uniform rule that, *in the absence of proof of advice of counsel and mistake of law,* it could not decide purely as a question of law and solely upon the drops and packages, that the defendant had in judgment of law reasonable and probable cause. It is submitted that in all candor a reading of the latter part of the opinion of the Court of Appeals (fols. 220-222) leads to no other conclusion than that it did not consider that the adjudication of that judgment upon the question of infringement was binding upon it in this action, and proceeded to discuss that question solely upon the drops and packages, and reached the decision that "because" plaintiffs so nearly resembled defendants that they gave defendant a cause of action for infringement, he had probable cause to bring the action.

Upon this record, under the law of New York and of this Court and of general jurisprudence, that court could not relieve the defendant upon the ground of probable cause because he had made a mistake of law; and the only other ground upon which to reverse an order of final judgment in a non-suit was that plainly stated in the opinion itself.

Under Rule 8 of this Court it accepts the opinion of the Court below as a part of the record.

"The principal, if not the only object of requiring the opinion to be annexed to and transmitted to this Court, was that we might be informed of the grounds upon which the Court below proceeded. Unless the rule had at least that object, why should it have been adopted?" (*Loeb vs. Trustees,*

179 *U. S.*, 472, 483-4; *Ward vs. Denny*, 158 *U. S.*, 181, *Murdock vs. Memphis*, 20 *Wallace*, 633, *Eagan vs. Hart*, 165 *U. S.*, 188, 190.)

This Court has often examined the opinions of the court of last resort to determine the grounds upon which the opinion rested its decision. (*Columbia W. Power Co. vs. Columbia, etc., Co.*, 170 *qus*, 475, 486-8; *Yazoo, etc., Co. vs. Adams*, 180 *U. S.*, 1, 9-16; *Southern Pacific R. R. Co. vs. U. S.*, 168, *U. S.*, 1, 49-58.) Its plain statement of the ground upon which it holds probable cause conclusively as matter of law is confirmed by the plain legal fact that there was nothing else in the record upon which it *could* rest such decision. It is a fair statement that that opinion does not even hint at any of the reasons for its decision suggested in the opinion here.

III.

Your petitioners respectfully submit that the suggestion that "probable cause does not mean sufficient cause," or that a trial or Appellate Court might conclude from the record that it would have decided the former case the other way, are covered by the suggestions in heads 1 and 2 of this petition.

The Court of Appeals, however, say neither of these things. Of course reasonable and probable cause might exist when suit began, but the evidence might fall short of the information acted on. But held as *matter of law* probable cause must be reasonable cause to warrant the honest belief that it is sufficient in law to support the action.

The equivalency of the word "sufficient" to "reasonable and probable" is not a proper test. But where the facts adjudicated upon in the former suit, to-wit, the packages and drops, were *the same* and *the only facts* before the Court of Appeals, the latter court could not hold in this suit between the same parties that the former judgment was *as matter of law* against reason, or without reasonable or probable cause; nor could the defendant be heard to allege that the same facts which were adjudged not to be or to constitute a cause of action were in law themselves reasonable and probable cause to believe that they were

a cause of action. The fundamental verities of the law are that it is reasonable, and that it is to be applied equally and impartially.

There is no authority for the view, that, in malicious prosecution a court may hold on the same facts that the former judgment was not according to reason; or that every judgment does not at least affirm that there was reasonable and probable cause for it.

The vital fact in this case is that the only facts the State Court *could* or *did* consider were *the same* as those adjudicated upon in the former suit.

This is the only key to the only question presented, to-wit, probable cause *as a question of law;* and that there is nothing to show that defendant obtained or acted on the "advice of counsel."

"In the absence of fraud, no question can be entertained lying within the jurisdictional sphere of the original judgment. Infinite confusion and mischiefs would ensue if the rule were otherwise."

Laing vs Rigny, 160 *U. S.,* 531, 542.

IV.

Your petitioners submit that it would be manifest error to hold that the Federal question arising out of the denial of the due force and effect of the former Federal judgment was not presented in this action.

"Whether due force and effect has been given to a judgment or decree of a court of the United States is a Federal question within the jurisdiction of this court."

Crescent City Live Stock Co. vs. Butchers' Union, 120 *U. S.,* 141.

Central Nat. Bank vs. Stevens, 169 *U. S.,* 432, 460.

Deposit Bank vs. Frankfort, 199 *U. S.,* 499, 514-516.

The question whether such a State judgment "denies the validity of an authority exercised under the United States" arises directly under the first clause of Section 709.

Mutual Life Ins. Co. vs. McGraw, 188 *U. S.,* 291, 311.

Telluride P. & C. Co. vs. R. G. & R. W. R. Co., 175 *U. S.,* 639, 643.

Tullock vs. Mulvane, 184 *U. S.,* 497, 505.

Where the judgment is pleaded *as a judgment* and placed in evidence a Federal question might often arise under the third head of Section 709.

The uniform rule of this Court appears to have been that where the judgment is properly in evidence and the State Court has refused to give it its due force and effect as a judgment, such court has thereby drawn in question the "validity" of the judgment.

See cases above cited.

Dupasseur vs. Rochereau, 88 *U. S.,* 130.

In the *Crescent City, etc., Co. vs. Butchers' Union,* 120 *U. S.,* 141, and in *Southern Pac. R. R. Co. vs. U. S.,* 168 *U. S.,* 1, 60, the former judgment was not pleaded, but offered and received in evidence.

In the latter case, which received careful consideration, the opinion says: "The former judgment, *if admissible in evidence at all, is conclusive* of the matters put in issue and actually determined by it."

New Orleans vs. Citizens' Bank, 167 *U. S.,* 371.

In this case the complaint alleges the issues presented by the pleadings in the former suit of the United States Court and that there was a final judgment on the merits therein in favor of the plaintiffs. It was necessary to allege that the former suit *had terminated in favor of these plaintiffs.* It was proper pleading to allege how it so terminated, whether by discon-

tinuance or by final judgment. *The allegation was that it terminated by a final judgment on the merits, because that was the fact to be proved.*. Even if it had not been alleged, the judgment was the proper and necessary proof of such termination.

By pleading and putting the judgment in evidence *as a judgment* which had determined the issues in favor of the plaintiffs, a Federal question was presented and remained in the case.

Com. Pub. Co. vs. Beckwith, 188 *U. S.,* 567, 569.

The only other step the plaintiffs could have taken would have been to tell the trial court that as a judgment it determined the issues.

It is a familiar rule that the necessary intendments of law from facts pleaded need not be set forth in a pleading. This allegation was followed by the production in evidence on trial of the record of the pleadings and the judgment, which show it to be a judgment upon the merits in favor of the plaintiffs.

Can it ever be necessary in pleading a judgment or offering it in evidence, to make the claim, by stating to the court, that it determined the issues in that action because it was a judgment? The fact was that it determined the former action favorably to the plaintiff by a judgment determining the issues in his favor; had it done anything less or different it would not have been a judgment. And when in evidence, it advised the Court of that fact, and of nothing else that was material to the case, and that was the material fact thus alleged and thus proved. And if it had not been pleaded, but had been offered in evidence as the judgment between the same parties determining the former action in favor of these plaintiffs the legal situation would have been the same. It was before the court and could only have been before it as a judgment determining the issues. It cannot be said legally or judicially that the Court was not advised that as a judgment it determined the issues.

It does not appear ever to have been doubted in this Court that when a judgment of the United States Court is received in evidence as a judgment and is not attacked for fraud or want of jurisdiction the question whether due effect has been given

to it is a question which this Court has jurisdiction. (*Southern Pacific R. Co. vs. U. S.*, 168 *U. S.*, 1, 49.)

It is not always necessary that the Federal question should appear affirmatively on the record or in the opinion if an adjudication of that question was necessarily involved in the disposition which was made of the case by the State Court. (*Kaukanna, etc., Co. vs. Green Bay, etc., Co.*, 142 *U. S.*, 254.)

The rule appears to have been uniformly held by this Court that, wherever such a judgment has been received in evidence upon the trial of the action, the question "whether due effect has been given by a State court to such judgment or decree of a court of the United States is a Federal question within the jurisdiction of this Court." (*Central National Bank vs. Stevens*, 169 *U. S.*, 432, 460; *Crescent City, etc., Co. vs. Butchers' Union*, 120 *U. S.*, 141; *Deposit Bank vs. Frankford*, 191 *U. S.*, 499, 514-516.)

Southern Pac. R. Co. vs. U. S., 168 *U. S.*, 1.

There was never any judgment in this case till the Court of Appeals, nor was there in the lower courts any denial of the due force and effect of the judgment of the Federal Court. It could only be "drawn in question" by a State *court* to give this court jurisdiction.

When judgment was rendered "by the highest court of the State in which a decision in the suit could be had," resting it wholly and expressly—not upon any State statute or law—but upon a conclusion directly contrary to the previous Federal judgment, the plaintiff alleged by their assignments of error that that Court had refused to give due effect to the former judgment.

The Court of Appeals, as already shown, *must* have affirmed and given judgment absolute but for its conclusion of infringement, contrary to the former judgment.

And the failure to expressly refer to the Federal judgment,

in the opinion, makes no difference in the legal question, as has been many times held by this Court.

Des Moines Nav. Co. vs. Iowa Homestead Co., 123 *U. S.*, 552.

Missouri, K. & T. Ry. Co. vs. Elliott, 184 *U. S.*, 531.

The case is the same as *Wedding vs. Meyler*, 192 *U. S.*, 573. Mr. Justice Holmes there says: "The judgment and opinion of the Court of Appeals both disclose that the decision was against the right under the statutes referred to."

Hulbert vs. Chicago, 202 *U. S.*, 275, 280, it is submitted is not in point. That was under the third clause of Sec. 709, and the objection had been overruled in effect by every State court without exception or assignment of error, and it was held waived under the Illinois practice. Here the validity of the judgment was unquestioned till the Court of Appeals, and it first pronounced the *judgment as in Wedding vs. Myler, supra.* There is no statutory requirement as to time of objection under first class of 709. The only question is whether the party by laches has waived his objection. There is no ground to claim a waiver here. Even under the third class there would have been no waiver of rights under a judgment which had been alleged and proved.

Merchants' Nat. Bank vs. Wehrman, decided the same day as the Hulbert case, in principle upholds the jurisdiction.

Your petitioners beg to refer to pp. 41-43 of their brief to show that their counsel made an abundant citation of authorities on the question of jurisdiction, even though none were cited for defendant.

They believe that under the statute and the great body of decisions of this Court they have shown that this Court clearly has jurisdiction. They respectfully submit that they believe they have the right as citizens to have the question examined with sufficient care to decide it in accordance with the law as settled by Section 709 and the numerous decisions of this Court.

And your petitioners pray, therefore, that an order may be made for a rehearing of the argument in this case, on a day to be appointed by this Court, at the present term and upon such points as the Court may direct.

ALFRED H. BURT and
JOSEPH J. SINDELE.

By NORRIS MOREY,
Counsel.

I respectfully certify that I believe the grounds assigned for the foregoing petition for a rehearing are meritorious and well founded in law and fact.

NORRIS MOREY,
Of Counsel.

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No. 67

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— IN THE —

Supreme Court of the United States.

OCTOBER TERM, 1906.

ALFRED H. BURT & JOSEPH J. SINDELE,
Plaintiffs in Error,

vs.

WILLIAM W. SMITH,
Defendant in Error.

Error to the Court of Appeals of the State of New York.

Statement of Case, Brief and Argument

for the Defendant in Error.

MILTON A. FOWLER,
Attorney for Defendant in Error.

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STATEMENT.

This action was brought by the plaintiffs for damages for malicious prosecution in bringing an action in equity against the plaintiffs in the Circuit Court of the United States, Northern District of of New York, and obtaining therein an injunction *pendente lite* after a full hearing on notice in which

opposing affidavits were presented and arguments were made on both sides.

Plaintiffs affidavits, pages 71 to 80 of the Case.

Defendant's affidavits, pages 81 to 91.

Upon appeal the order of Judge Coxe was reversed and the action was then allowed to fall.

This action, which was brought two years afterwards, came on for trial before Mr. Justice Kenefick and a jury at a trial term in Erie County.

At the end of the plaintiff's case the court granted a non-suit, holding that the decision and order of Judge Coxe constituted conclusive evidence of probable cause for the bringing of the action, and that the facts disclosed by evidence before him, were substantially the same as those proven by both parties before Judge Coxe.

Opinion of Judge Kenefick, pages 105 and 106.

Exceptions were directed to be heard in the first instance in the Appellate Division, Fourth Department.

The Appellate Division, by divided Court, reversed the judgment of the Circuit, holding that the case should have gone to the jury on the question of probable cause, and ordered a new trial.

Opinion of Appellate Division, pages 111 to 114.

Dissenting opinion, page 114.

From the judgment of the Appellate Court an appeal was taken to the Court of Appeals of the

State of New York, with stipulation for judgment absolute in the event of an affirmance there.

The case comes to this Court upon a Writ of Error, the errors assigned being nine in number. Record, pages 121-124.

They may, however, be grouped under general heads as follows :

First—That the Court of Appeals of the State of New York should have treated the order of the Circuit Court of Appeals, setting aside the injunction and giving judgment for the defendants in the original action, as conclusive and as establishing beyond all question that the devices of the defendants in that action, both in their drops and packages, did not infringe upon either the Registered or Common Law trade marks of the plaintiffs therein. And hence that the subject should be treated as *res adjudicata.*

Second—That the Court of Appeals erred in holding and treating as evidence the judgments and orders sustaining the defendant's rights to his trade marks, both Registered and Common Law, which were put in evidence by the plaintiffs in error in this action, they being part of the record upon which the original injunction complained of was granted. Record, pages 27-68 inclusive. Also the affidavits, pages 76-91, which were subsequently put in evidence by the plaintiffs in this action under the ruling of the Court that they were a part of the record in the injunction action and must be included.

Third—That the Court of Appeals erred in holding that the undisputed evidence given by plaintiffs in error established as matter of law that the defen-

dant had probable cause for bringing the original action, and for obtaining the injunction complained of, thereby going contrary to the provisions of Article 14, Section 1, of the Constitution of the United States.

The claim being that in refusing to treat the judgment of the Circuit Court of Appeals as *res adjudicata*, upon the question of probable cause as well as upon the alleged violation of the trade marks the plaintiffs were deprived of their property without due process of law and were deprived of the equal protection of the laws.

FACTS.

The defendant, with his brother, since dead, began the manufacture of cough drops prior to the year 1875.

Smith Brothers cough drops with the letters "S. B." on them, were manufactured as early as 1876.

Testimony of Charles E. Van Nort, page 93.

Q. How long after, if you recollect, that you sent those drops was it that you saw the S. B. drops with the "S. B." on them?

A. Well I was at their place in 1876. I recollect seeing them at that time.

By the Court: With the S. B. stamped on them? A. Yes, sir.

Prior to June 7th, 1875, they had not manufactured any drop with the initials "S. B." on it. I cannot say exactly how long after June 7th, 1875, it was that they commenced to manufacture drops with the initials on them, possibly six months.

They got the rollers with which they made these drops with S. B. on them from Mills & Brothers in Scranton or Philadelphia."

Testimony of Charles Wood, page 93.

In February, 1882, Justice Barnard, sitting in Dutchess County, New York, granted a decree against James Leatted and his partner, restraining them from making and selling drops in imitation of those of Smith Brothers or having thereon a star or a star surrounded by a circle, or ring, or the letters S. P., or any similar letters resembling those used by plaintiffs.

Record pages 44–47.

The plaintiff, Alfred H. Burt, was employed by James Leatted and partner and knew of the judgment against them aforesaid. "He told me that Smith Brothers had brought a suit against him and that he had consented to a judgment being taken restraining him from using S. P." Testimony of Burt, page 73.

He started in business with Mr. Sindele as partner and manufactured cough drops with a design B. & S. with bars above and below the letters. Exhibit A, page 22.

In 1891 they sold 122 boxes of their cough drops and in 1892 they sold 1080. Testimony of Burt, page 25.

They changed the style of package to Exhibit B in 1892. Testimony of Burt, page 22.

And in 1893 and 1894 their aggregate sales were 11,969 boxes. Testimony of Burt, page 25.

This new style of package, Exhibit B, had upon it this device "New Style Package Adopted 1892." Testimony of Burt, page 23.

In 1895 the defendant, the successor to and one of the old firm of Smith Bros.', filed a bill in the United States Circuit Court for the Northern District of New York against Burt & Sindele and prayed for an injunction, restraining any further infringement of Smith Bros. trade mark. Bill (page 27). The bill alleged the filing of the registered trade marks under the Statutes of the United States (page 28). That the trade marks had been used in commerce with Canada and other foreign countries (page 29), and alleged an infringement by Burt & Sindele, and that they were selling the infringement for commerce with foreign nations (page 36). The bill also asked for a preliminary injunction restraining the defendants from any further infringement of the trade marks or any part thereof or of the label, pending the cause. Mr. Smith noticed a motion for a preliminary injunction, returnable February 12th, 1895, before Judge Alfred C. Coxe. (Notice of motion page 75). Mr. Burt was informed of this motion for an injunction by his counsel, Mr. Morey, who told him he would have to appear at Utica before Judge Coxe on application for the injunction. For this purpose Mr. Burt procured the affidavits of fourteen different persons to be made (affidavits pages 81 to 91). He attended court himself on the hearing of the injunction, Judge Coxe hearing the arguments of both Seward Davis, Esq., of New York City, for Mr. Smith, and Norris Morey, Esq., for Burt and Sindele (page 74).

On the eight day of April, 1895, at a term of the Circuit Court of the United States for the Northern District of New York in the Second Circuit, held by Judge Coxe, the following order was made :

"On reading the bill of complaint and the affidavits heretofore filed in this action and on hearing Seward Davis, Esq., in favor of said motion, and Norris Morey, Esq., opposed, it is ORDERED that an injunction be awarded to restrain the defendants, their agents, servants, and employees from infringing the complainant's trade mark No. 22,294, by stamping the letters B. and S. upon cough drops sold by them, or upon the boxes in which said cough drops are sold. The writ is to issue after five days from the date of this order." (Pages 62-3.)

The preliminary injunction was issued and was served on Burt & Sindele by the United States Marshal, on the sixteenth day of April, 1895 (page 119).

The opinion by Judge Coxe upon granting the preliminary injunction is to be found in the record at page 15, and is as follows :

"Coxe, J. The validity of the complainant's trade marks has been repeatedly upheld by an apparently unbroken line of decisions in the State and Federal Courts. The only open question is one of infringement."

The trade mark registered January 3d, 1893, states as follows :

The essential feature of our trade mark consists of the letters " S. B.," which have 'since the first of January, 1874,' been applied to boxes containing cough drops and to the cough drops themselves.

The defendants stamp the letters " B. & S." on their boxes and drops.

It was thought at the argument and it is still thought, in view of all the circumstances, in view of the almost literal copying of a part of the complainant's directions that the use of these letters in this manner constitutes an infringement.

Pillsbury vs. Pillsbury Co., 64 Fed. Rep., 841;
Fairbanks vs. Lard Co., 64 Feb. Rep., 133.
Giron vs. Gartner, 47 Fed. Rep., 467.
Brown vs. Stearns & Co., 37 Fed. Rep., 360;
Hutchinson vs. Blumberg, 51 Fed. Rep., 829-832;
While vs. Muller, 50 Fed. Rep., 277;
Wellman vs. Ware, 46 Fed. Rep., 289.

If the defendants are sincere in their assertion that they wish to rely solely upon the merits of their own goods, it will in no way injure them to desist from the use of letters which the complainant had employed for so many years; indeed, such discontinuance will relieve them from an imputation which must be most distasteful to men who desire to resort only to upright business methods.

The complainant is entitled to an injunction restraining the infringement of the trade mark of January 3d, 1893, numbered "22,294."

Burt & Sindele appealed from the injunction order to the Circuit Court of Appeals assigning six separate grounds of error, which are found in the assignment of errors, (page 64).

The decree of the Circuit Court of Appeals was entered on January 21st, 1896, by which it was "ordered and adjudged that the said order and injunction be and the same is hereby reversed upon the merits and the writ of injunction issued by said

order, bearing date April 5th, 1895, be and the same is hereby vacated (page 65).

The opinion of the Circuit Court of Appeals was written by Judge Lacombe and is to be found at pages 15 to 17 of the record. It will be seen by an examination of the opinion of Judge Lacombe that the injunction order of Judge Coxe was reversed because the Circuit Court of Appeals was of the opinion that Judge Coxe erred in holding that the registered trade mark of the two letters "S. B." was infringed by the combination "B. & S."

Judge Lacombe further says:

"It is apparent from the opinion of the Judge who heard the case in the Circuit Court, that it was these similarities that induced him to grant the motion for preliminary injunction. But these matters are *immaterial to the questions presented in this suit for the determination of the Federal Court.* The complainant and defendants are all citizens of the same state. The Federal Court can take jurisdiction, therefore, only of the question whether the registered trade mark declared upon has been infringed, and that trade mark solely for the two letters "S. B." without any designation of style or type, position on the cover, or association with other elements of dress or decoration." (Page 17.)

The Circuit Court of Appeals having thus decided that the common law features of the bill were not within the jurisdiction of the Circuit Court, and that there was not an infringement contrary to the provisions of the Statutes of the United States there was nothing left upon which to go to trial and accordingly at the next term of the Circuit Court on February 3d, 1896, upon complainant's default the

complaint was dismissed upon the merits with costs against the complainant, Smith, which he paid.

No undertaking was given by Mr. Smith on procuring the injunction. The order for the injunction did not require any undertaking. There is no evidence that Burt & Sindele even applied for an undertaking.

About two years after the entry of the judgment dismissing the bill in the Circuit Court of the United States, and on January 20th, 1898, Burt & Sindele commenced this action by the service of a summons. They served an amended complaint October 31st, 1898, and issue was joined on November 30th, 1898.

In their complaint the plaintiffs alleged that the defendant maliciously and without probable cause procured to be issued and served upon Burt & Sindele the writ of injunction granted by Judge Coxe. The complaint claims large damages as the result of this injunction.

In his answer Mr. Smith admits the commencement of the action, but denies that the action was commenced with malice and without probable cause. Denies that the writ of injunction was procured maliciously and without probable cause, and alleges that no injuncion was issued by the Circuit Court in said action until hearing and determination was had thereon upon the merits. He further alleges that the complaint was dismissed upon technical grounds and not upon the merits.

The answer of Mr. Smith further sets up the facts upon which he bases his claim to a right to be protected against infringement.

The issues came on for trial before Mr. Justice Kenefick and a jury, at a trial term in the City of Buffalo, on the seventeenth day of June, 1901.

The plaintiffs to make out their cause of action called as witnesses, the plaintiff, Mr. Burt, Joseph Crump, Charles F. Van Nort and Charles Wood, who testified on this trial to substantially the same facts set forth in their affidavits read before Judge Coxe in opposition to Mr. Smith's motion for an injunction.

Compare the testimony of Mr. Crump at page 21, with his affidavit at pages 83 to 85.

Compare the testimony of Mr. Van Nort at page 92, and of Mr. Wood at page 93, with their respective affidavits, Van Nort's affidavit at pages 88-89, and Wood's at pages 85-86.

Make the same comparison between the contents of the affidavit of Mr. Burt, the plaintiff, at pages 81-82, with his testimony at pages 21-27 and 66 to 68 and 69 to 74 and 103-104.

In addition to these witnesses, plaintiffs called Bacon, who gave evidence of making similar cough drops with letters D. B. on them (94); Mills who made a machine for Smith Bros.' cough drops on October 9th, 1875, similar to one which he had used for Van Nort and Smith (96); and three witnesses, Hill, Wende and Bissel, who swore that a cough drop manufactured from the ingredients and in the proportion shown by Burt & Sindele's cough drop formula would not be unwholesome.

The evidence of the witness Wright bears solely upon the question of damages.

The record presented to Mr. Justice Kenefick is therefore substantially the same as that which was

before Judge Coxe on the argument of the motion for the preliminary injunction, and was so regarded by him (page 106).

Judge Coxe with his many years of experience in trade mark cases, reached the conclusion that there was probable cause for the prosecution of the suit in his court and granted the order for the injunction.

Now because he made a judicial error according to the Circuit Court of Appeals, the Courts are asked to declare upon the same state of facts that Mr. Smith acted without probable cause in the prosecution of his action before Judge Coxe.

At the close of the plaintiff's case Mr. Justice Kenefick after stating that the same state of facts appeared before him as before Judge Coxe, took the view that the judicial determination of Judge Coxe after a hearing upon the pleadings and upon affidavits was sufficient evidence of probable cause to warrant a non-suit.

The Appellate Division reversed the judgment, holding, as appears from the majority opinion (page 111) that the Trial Court was in error in deciding that the injunction was conclusive evidence of probable cause and that the question of probable cause should be submitted to a jury upon all the evidence and that the Trial Court should pass upon it in the first instance if it is a question of law.

Having stated its uncertainty upon the proposition, the Court finally concludes that the question *in this case* (whatever that may be the Court does not disclose) is one of fact for the jury under proper instructions by the Court (page 113).

POINTS.

POINT I.

This court has no jurisdiction to hear this case upon the Writ of Error when there is no suggestion in the pleadings that any federal question is involved; neither was there any claim presented in the State courts by exception or otherwise which involved any such question.

POINT II.

The decision of the Circuit Court of Appeals is only *res adjudicata* upon the question whether the use of the letters "B. & S." upon their drops and boxes by the plaintiffs in error were a violation of the registered trade marks of the defendant in error. See Decree, Record 65; opinion Judge Lacombe page 62.

POINT III.

The issue in the present action is a simple one. Did the defendant have probable cause for believing that the plaintiffs were infringing upon his registered trade marks, arising from his long use of his peculiar design and the frequent adjudication of the courts, both State and Federal in his favor thereupon.

A. Letters alone may be and frequently are a legal trade mark.

Brown on trade marks, Sec. 39 and Sec. 234.

Hall vs. Burrows, 4 De G. J. & S. 150.

Giron vs Gartner, 47 Fed. Rep. 467.

B. The imitation which will be restrained by injunction need not be exact or nearly so, but must only be such as to deceive the purchaser who uses ordinary observation and makes his purchase under ordinary conditions.

Godillott vs. Am. Grocery Co. 71 Fed. Rep. 873. Holding that the letters "A. & G." in a monogram are an infringement on "A. G. & Co."

Godillot vs. Harris, 811 N. Y. 263. Holding that "F. G." in monogram infringes "A. G."

Frank vs. Sleeper, 150 Mass. 583. Holding that "N. S." is infringed by "N. & S."

Cardiere vs. Carlysle, 3 Beaver 292. Holding "C. B." is infringed by "C. S."

Singer Mfg. Co. vs. Bent, 163, U. S. 205, holding that N. Y. S. M. Mfg. Co. are an imitation of "Singer Mfg. Co."

Welsbach Light Co. vs. Adam, 107 Fed. Rep. 463. Holding that "U. C. A." infringes "Yusea."

National Biscuit Co. vs. Furst, 94 Fed. Rep. 150, holding that "Ivanta" infringes "Uneeda."

C. The uniform decisions of the courts in favor of the defendant could have left no reasonable doubt in his mind that the plaintiffs herein were infringers.

Smith vs. Lutted & Co., pages 44 and 45 of Record "S. P."

Smith vs. Schuster, pages 48 and 49 of Record.

Schmidt Brothers

"S. C."

Cough Drops.

Smith vs. Bird, page 55 of Record.

"Bird Brothers,"

"B. B."

Cough Drops with the busts of two men.

Smith vs. Schwarz, page 57 of Record.

Schwarz & Sons

Cough [S] Drops

had all been held to be infringements of the devices of the defendant.

POINT IV.

The facts being undisputed and resting upon plaintiff's own evidence, the question as to whether plaintiff in the injunction action had probable cause for bringing the same is one of *law*.

Lord Mansfield, 1 Term Reports, 544.
Humphries vs. Parker, 52 Maine, 502.
Ash vs. Marlowe, 20 Ohio, 119.
Stewart vs. Sonneborn, 98 U. S., 187.
Staunton vs. Gashon, 94 Fed. Rep., 52. 14 *Am. & Eng. Enc. of Law*, 5 (1st edition).

POINT V.

The Court of Appeals did not err in deciding, as matter of law, that the defendant had probable cause to commence the action and procure the injunction, because the packages and drops of the plaintiff resembled his own so closely as to be calculated to de-

ceive the careless and unwary, and that the average purchaser would not know the difference.

Coleman vs Crump, 70 N. Y., 573.
Carl vs Ayres, 53 N. Y., 14-17.

POINT VI.

Actions for malicious prosecution of civil actions are not favored by the Courts, hence to sustain such an action the proof must clearly establish that there was no reasonable ground for supposing that the action brought could be sustained.

Am. Enc. of Law, Vol. 14, page 32, and cases there cited (1st edition).
Willard vs. Holmes, 142 N. Y., 492-496-7.
Daniels vs. Fielding, 16 M. & W., 201.
Palmer vs. Foley, 71 N. Y., 106-109.
Marks vs. Townsend, 97 N. Y., 597.

POINT VII.

The decree of the Circuit Court of the United States, that there was an infringement upon the registered trade mark and unfair competition, is sufficient evidence of probable cause for the prosecution of the suit to make due and complete defense to this action for malicious prosecution.

The fact that the Circuit Court of Appeals reached a different conclusion does not in any degree lessen the effect of the decision of Judge Coxe as evidence of probable cause.

Crescent City Live Stock Co. vs. Butchers' Union, 120 U S., 141–158–9.
Spring vs. Besore, 12 B. Mon., 551–555.
Short & Co. vs. Spriggins & Co., 104 Georgia, 628.

This is a case of injunction pending trial of the action and is directly in point.

Clements vs. Odorless Excavating Apparatus Co., 69 Maryland, 461.
Hartshorn vs. Smith, 104 Georgia, 235.

POINT VIII.

The plaintiffs in error in this case have not been discriminated against, denied the equal protection of the laws or been deprived of their property without due process of law within the meaning of the 14th Amendment of the Constitution of the United States by reason of the decision of the Court of Appeals of the State of New York in this case, as they have had a full hearing in all the Courts of the State, which they chose as their forum, and the final decision being against them, they are bound thereby.

ARGUMENT.

UNDER POINT II.

The Circuit Court of Appeals not only reversed the order directing the injunction but eventually decided upon the merits what was then before it upon the bill of complaint in that action. Pages 27-33.

The complaint alleged an infringement of its trade marks both as registered and at common law setting out the facts constituting the infringement with great particularity.

The answer, pages 58-62, left the plaintiff to make proof of most of his allegations by claiming want of knowledge thereof, admitted making and selling by the defendants of the drops and the putting of them up in the boxes as claimed by the plaintiff and denied that in so doing they in any way infringed.

Taking this decision in the broadest sense claimed by the plaintiff in error, it determined that there was no infringement by them upon the trade marks either registered or at common law of the defendant in error.

Assuming that all this was adjudged it came far short of adjudging that the defendant in error had not at the time he brought the action for violation of the trade mark and obtained the injunction *probable cause for believing that there was such violation.*

Judge Lacombe, who wrote the opinion in the Circuit Court of Appeals, reversing the decision of

Judge Coxe, had himself decided that the letters "G. & F." were an infringement upon the letters "G. F." when the ampersand was small.

Giron vs. Gartner, 47 Fed. Rep., 467.

This case was relied upon by Judge Coxe in granting the order for the injunction and is cited by him in his opinion written, upon deciding the motion for the injunction (page 15).

Mr. Smith and his counsel had a right to rely upon the same case and to believe that the similarity between "B. & S." and "S. B." was as great a similarity as between "G. & F." and "F. G." when embossed upon a cough drop of the same size, shape and color and that, therefore the Circuit Court of Appeals in which Judge Lacombe sat would so rule.

"What similitude will be sufficient to constitute an infringement is a nice and delicate question in most cases. It is established that exact similitude is not necessary or evidence of actual deception of the public. The general rule is that any simulation which in the opinion of the Court, should be likely to deceive and mislead an ignorant and incautious purchaser will be sufficient."

"Another rule, and one which might be applied in all cases, is this: 'When he begins to sell an article in competition with a similar article of established reputation, he is held to a high standard of responsibility to avoid danger of confusing his article with that of his successful rival, and particularly is this the case where from the nature of the article and the custom of trade, all articles of that class are put up in very similar shape If a dealer coming in to a field already occupied desires to deal honestly

and avoid the danger of confusion, he can with comparative ease devise a means of doing so."

26 Amer. and Eng. Enc., page 447 and cases cited." (First edition.)

The defendant in error is only to be held responsible for the light he then had.

What an Appellate Court would subsequently hold he could not anticipate.

Counsel has throughout the case as well as before this Court, laid great stress upon the former judgment but has failed to make the distinction here set out, and as we think established.

The interpretation of the law contended for by him would warrant an action for malicious prosecution in every case where a Court was reversed.

UNDER POINT III.

In addition to the cases there cited and which would appear to demonstrate that the imitation, which was set out by Judge Coxe in the following language: "The defendants stamped the letters 'B & S' on their boxes and drops. It was thought at the argument, and is still thought in view of all the circumstances, in view of the almost literal copying of a part of the complainant's directions that the use of these letters in this manner constitutes an infringement," was such as would lead any sane man to believe that he had probable cause for claiming an infringement.

The Court of Appeals in its unanimous opinion, says with relation to this imitation :

"The cough drops of the plaintiffs were substantially the same in size, color and form as those

of the defendant. They were stamped on one side 'B & S' surrounded by a circle, and on the other 'B. & S.' with a bar above and below. Those of the defendant were stamped on one side 'S. B.' with a bar above and below, and on the other with a star of five points, surrounded by a circle. The packages used by the parties looked alike but varied somewhat in design. On either end of the defendant's package was printed '5 cents,' and on one side 'Price 5 cents.' On the bottom of both was printed matter identical in some respects and conveying the same meaning in all respects. Other resemblances are as follows: 'Cough B. & S. Drops,' instead of 'Cough Drops;' 'the only genuine have the letters B. & S. stamped on both sides of the drop, instead of 'S. B.' stamped on each drop; 'the original cough B. & S. drops,' instead of 'Smith Brothers' S. B. cough drops.'"

UNDER POINTS IV AND V.

In the case of Anderson vs. Howe, 116 N. Y., 338, Judge Potter in giving the opinion of the court says:

"Trials in actions of this character do not ordinarily need to proceed as far as was done in this case, as the burden is upon the plaintiff to show want of probable cause and malice upon the part of the defendant, and unless the plaintiff's evidence establish the want of probable cause and malice the defendant will be entitled to a dismissal of the complaint. (81 N. Y., 428; 97 N. Y., 590)."

"Another principle easily applicable to this class of cases is this: that where there is no dispute about the facts the question of the existence of probable

cause, or as generally stated, the absence or want of probable cause, is a question for the Court and not for the jury."

If the principle established by the cases cited under point IV will protect a man who has caused the arrest of another, they certainly should apply with equal or stronger force to protect a man who simply seeks to enforce his own rights in a civil action.

The Judge at the trial at the Circuit could in perfect accord with the decisions quoted have decided that there was no sufficient proof of want of probable cause and could have held as a matter of law that there was probable cause by reason of the similarity above described in the quotation from the unanimous opinion of the New York Court of Appeals.

That Judge having failed to decide it upon that ground and having based his opinion and decision upon a ground which was not concurred in either by the Appellate Division or the Court of Appeals it was entirely competent and proper for that court to render the decision and judgment, which it did, as being the proper interpretation of the law of the case and decisive thereof.

UNDER POINT VI.

"An action for malicious prosecution in a civil action generally is not to be viewed with any favor, for in theory of the law the costs awarded by the Statute to the successful defendant are an adequate compen ation to him for all damages. In this country the authorities are not agreed upon the doctrine governing such cases as may be seen by reference to the cases collated in the Amer. and Eng. Enc. of Law, Vol. 14, page 32. (1st Edn.)

"To sustain an action for malicious prosecution in prosecuting a former civil action, the circumstances must appear to have been such that *no reasonable man could have been influenced thereby to the belief that the former action was maintainable.* The question is not what the actual facts were, but what defendant had reasonable cause to believe they were, when instituting the former action; and if, as he so believed, they furnished reasonable cause, the failure of the action is no evidence of want of probable cause or of malice."

The above is the language of the Court in

Williard vs. Holmes, 142 N. Y. 493.

In the Willard case Willard's property had been attached on the ground of his non-residence in an action to recover money which the directors of the corporation supposed the company had lost through the unauthorized act of Willard while its treasurer.

When the case came on for trial the complaint was dismissed and judgment ordered in favor of Willard which was eventually affirmed in the Court of Appeals. (125 N. Y. 75). The complaint was dismissed because the court held as a matter of law it must be assumed that the directors had acquiesced in the proceedings of Willard, and hence no action could be maintained against him for damage.

In commenting upon this in the malicious prosecution action Judge Gray said: "The question was mainly one of law, and a mistaken belief as to his liability to the company upon the supposed facts should not have exposed the company to a suit for malicious prosecution." (Page 500.)

He also said that under the circumstances: "Every intendment should and will be against this plaintiff

upon viewing the case presented. Such an action as the present one comes very near to being, if it is not actually, a retrial of the former case and for its justification *requires the plaintiff to make out a very glaring case of the commencement of an action against him without any reasonable grounds at the time for a belief that he had rendered himself liable thereto.* The circumstances to sustain this right of action must appear to have been such that no reasonable man could have been influenced thereby to the belief that the plaintiff had unauthorizedly committed the company, whose officer he had been, to a liability which it should not have incurred and which was foreign to its chartered purpose." (Pages 496–497).

After discussing the claim that the attorneys were aware of the true state of the facts, Judge Gray, said: "It does not alter this case. * * * The mistake of the attorneys was upon the legal questions. * * * There was reasonable ground in the discovery by the directors of the facts connected with Willard's transactions upon which to found a genuine belief that a cause of action existed against him and, with the advice of counsel, there was justification for their proceeding; in the facts if not in the law. They were bound to predicate their action upon the facts real or honestly supposed: *but they were not to come under legal condemnation for not having anticipated the legal conclusion of the court from the facts as proved.*" (502–503).

Where process sued out by a party is afterwards set aside for error the party is not liable in an action for damages; where it has been set aside for irregularity or bad faith in obtaining it, he may be. Williams vs. Smith, 15 Com. Bench, N. S., 596;

108 Eng. Cour. Lr. 594: see also Miller vs. Adam, 52 N. Y., 409; Carl vs. Ayers, 53 N. Y., 141.

Palmer vs. Foley, 71 N. Y., 106-109.

After considering the cases Judge Andrews reached the conclusion that "The authorities seem to establish these propositions, * * * 3rd, if process was regularly issued in a case where the Court has jurisdiction the party may justify what has been done under it after it has been set aside for error in the judgment or proceedings; and an action for false imprisonment in case of arrest or of trespass for property taken under it, will not lie."

Day vs. Bach, 87 N. Y., 56-60.

"If a warrant of attachment or an order of arrest is issued in an action upon facts giving the Judge jurisdiction and the defendant appears and by showing new facts or denying those alleged against him procures the attachment or the order to be set aside, the process is not void or voidable or irregular, but simply erroneous and protects the judge and the party who procures it, although it is set aside, against an action for trespass or false imprisonment. In all such cases these are regular judicial methods and that which was legally done at the time cannot be converted into a wrong by relation, after the process has by judicial action been set aside. This rule of exemption is founded in public policy and is applicable alike to civil and criminal remedies and proceedings that parties may be induced freely to resort to the courts and judicial officers for the enforcement of their rights and the remedy of their grievances without the risk of undue punishment for

their own ignorance of the law, or for errors of courts and judicial officers."

Judge Earl in *Marks vs. Townsend*, 97 N. Y., 597.

In Williams vs. Smith, 14 C. B. (N. S.), 596, Williams, J., said: "The party causing process to be issued is not responsible for anything that is done under it when the process is afterwards set aside not for irregularity but for error" And Byleas, J., said: "There is a manifest distinction between setting aside process of irregularity and reversing a proceeding for error on appeal. In the one case a man acts irregularly and independently without the sanction of any court. He therefore takes the consequences of his own unauthorized act. But when he relies upon the judgment of a competent court, however erroneous that judgment may be, the party acting upon the faith of it ought to be protected."

Same case, 97 N. Y., 598.

Judge Earl then cited the case of Day vs. Bach, and approved the three propositions in that case laid down by Judge Andrews.

Marks vs. Townsend, 97 N. Y., 590-600.

"Where in an action for malicious prosecution on the charge of larceny it appears that while the charge of larceny was made on technical terms the facts and circumstances upon which it stands were stated and established by the evidence, the action cannot be maintained. The affiant is responsible for those statements, but not for the legal conclusions drawn therefrom. The plaintiff in such an action is bound to establish, first the want of reasonable and

probable cause for complaint made by defendant, and second, that it was instituted for malice; whether he has done so is for the court to determine as a matter of law after assuming that the evidence is true."

Thaule vs. Krekeler, 81 N. Y., 428.

UNDER POINT VII.

As sustaining our position taken under this point we claim that as the Circuit Court of the United States had jurisdiction of the parties and of the subject matter and the order for the injunction, which was made upon notice, and after reading the pleadings and affidavits and opposing affidavits and after hearing arguments of counsel and after due deliberation, was sufficient evidence of probable cause for the institution of the suit, although subsequently reversed by the Circuit Court of Appeals.

"The judgment or decree of a court having jurisdiction of the parties and of the subject matter, in favor of the plaintiff, is sufficient evidence of probable cause for its institution, although subseqently reversed by the appellate tribunal.

It will avail him as a complete defence in an action for a malicious prosecution, although it may appear that he brought his suit maliciously for the mere purpose of vexing, harassing and injuring his adversary."

The foregoing is quoted from the opinion of the Supreme Court of the United States in a case which is controlling in the case at bar. The case referred to is one of the cases growing out of the famous slaughter house cases. The Crescent City Live Stock Company by an act of the Legislature of Louisana was invested with the sole and exclusive privilege of

conducting a slaughter house within the city of New Orleans and vicinity. The Supreme Court of the United States sustained the validity of this monopoly on the ground that the grant was a police regulation. Afterward a new state constitution was adopted by which the monopoly was abolished. Thereafter the Butchers' Union was incorporated and authorized to conduct a slaughter house in the same territory. Thereupon the Crescent Live Stock Company began an action in the Circuit Court of the United States against the Butchers' Union, setting up its exclusive right and alleging that the defendant was about to violate the same, and praying for an injunction. After notice and hearing the charges, that court granted the injunction as prayed for *pendente lite*. Afterwards this decree of the Circuit Court was reversed by the Supreme Court of the United States on the ground that the monopoly granted was not a contract and that the State had the right to enact the subsequent legislation conferring equal powers upon the Butchers' Union.

In granting the preliminary injunction the Crescent Live Stock Company was required to give a bond in the sum of eight thousand dollars. After the reversal by the Supreme Court the Butchers' Union commenced an action against the Crescent City Live Stock Company to recover the amount of the bond and the further sum of seventy thousand dollars damages on the alleged ground of a malicious prosecution by the complainant therein of the said bill in equity for an injunction. A verdict was rendered upon the bond and also for the sum of fifteen thousand dollars damages for malicious prosecution. Upon the trial the defendant relied upon the decree of the Circuit Court of the United States granting and

perpetuating the injunction as conclusive proof of probable cause for the institution and prosecution of the suit complained of. The State Court left it to the jury to determine whether the decree of the Circuit Court constituted probable cause and declined to charge that the judgment of the Circuit Court constituted probable cause for instituting the suit. The Supreme Court of the State affirmed that decision. Thereupon the Crescent City Live Stock Company sued out a writ of error in the Supreme Court of the United States. After a thorough consideration of the question that court decided that the decree *pendente lite* constituted probable cause.

Crescent City Live Stock Co. vs. Butchers' Union, 120 U. S., 141.

That case is controlling and decisive of the case at bar. In this case Smith began an action against Burt & Sindele, in the United States Circuit Court for the Northern District of New York, seeking a permanent injunction to restrain Burt & Sindele from the use of Smith Bros.' trade mark. The action was commenced on the twenty-third of January, 1895. Smith then moved upon affidavits and notice of motion, returnable February 12, 1895, for the preliminary injunction. Upon the hearing of the motion Burt & Sindele filed affidavits of fourteen persons in opposition. Judge Coxe after due deliberation ordered that an injunction should be awarded to restrain Burt & Sindele.

Burt & Sindele appealed to the Circuit Court of Appeals from the order granting the injunction. The Circuit Court reversed the order upon the ground that, "If the trade mark registered is only for the two letters 'S. B.' arranged in that order, it is not

an infringement by the mere use of the combination 'B. & S.' The Court pointed out in the opinion of Judge Lacombe, 'That as both parties were residents of the State of New York, the Circuit Court could take jurisdiction only of the question, whether the registered trade mark had been infringed, and could not regard as material the similarities in the form, size and color of the drops, or in the arrangement of the package, in the text and style of the directions for the use, and other details tending to show an attempt to deceive the purchasing public.' "

Thereafter Smith permitted the action to be dismissed with the costs, which he paid. No bond was required by the Circuit Judge as a condition of granting the injunction.

In the case at bar the Circuit Court had jurisdiction of the parties and of the subject-matter of the suit so far as the subject-matter was an alleged infringement of a registered copy-right. So that, although it did not have jurisdiction of the subject-matter, so far as it related to unfair competition, because both parties were residents of the same state, the Court had jurisdiction. It is true that the Court judicially erred in deciding that the registered trade mark was infringed, but its judgment, although reversed for this error, is sufficient evidence in favor of the plaintiff who instituted the suit or action in which it was rendered when sued for a malicious prosecution that he had probable cause for his proceeding.

Crescent City Live Stock Company vs. Butchers' Union, 120 U. S., 141, 158, 159.

"The rule in question * * * was not established out of any special regard to the person of the

party. The rule is founded on deeper grounds of public policy in vindication of the dignity and authority of judicial tribunals constituted for the purpose of administering justice according to law, and in order that their judgments and decrees may be invested with that force and sanctity which shall be a shield and protection to all parties and persons in privity with them. The rule, therefore, has respect to the Court and to its judgment, and not to the parties, and no misconduct or demerit on their part, except fraud in procuring the judgment itself, can be permitted to detract from its force. It is equally true and equally well settled in the foundations of the law that neither misconduct nor demerit can be imputed to the Court itself. It is an invincible presumption of the law that the judicial tribunal, acting within its jurisdiction has acted impartially and honestly. The record of its proceedings imports verity; its judgment cannot be impugned except by direct process from superior authority. The integrity and value of the judicial system, as an institution for the administration of public and private justice, rests largely upon this wholesome principle."

Same case, page 159.

"The correct doctrine on the subject is, in our opinion, that the decree or judgment in favor of the plaintiff, although it be afterwards reversed, is, in cases where the parties have appeared and proof has been heard on both sides, conclusive evidence of probable cause, unless other matters be relied upon to impeach the judgment or decree and show that it was obtained by fraud; and in that case, it is indispensable that such matter should be alleged in the plaintiff's declaration; for, unless it be done, as the

other facts which have to be stated establish the existence of probable cause, the declaration is suicidal. The plaintiff's declaration will itself always furnish evidence of probable cause when it states, as it must do, the proceedings that have taken place in the suit alleged to have been malicious, and shows that a judgment or decree has been rendered against the plaintiff. To counteract the effect of the judgment or decree and the legal deduction of probable cause, it is incumbent upon him to make it appear in his declaration that such judgment or decree was unfairly obtained, and was the result of acts of malice, fraud and oppression on the part of the defendant, designed and having the effect to deprive him of the opportunity and necessary means to have defeated the suit and obtained a judgment in his favor."

Court of Appeals of Kentucky in Spring vs. Besore, 12 B. Mon., 551, 555 ; cited the Supreme Court in the Crescent City Live Stock Company Case, 120 U. S., 150.

The plaintiff in error and the Courts below have attempted to distinguish between the weight that should be given as evidence of probable cause to the interlocutory decree and a final decree of injunction in a like suit.

In considering this point, which does not seem of weight to the defendant in error, it should be remembered that the injunction was granted by the Circuit Court of the United States sitting in equity. The injunction was granted upon notice. The gravamen of the suit was to obtain this relief and the very nature of the facts under consideration demonstrates that the entire facts in possession of both parties would be submitted upon the hearing. Had the cause proceeded to final hearing the only course open

to Smith would have been to take further depositions under the Equity Rules of the United States Supreme Court and submit them in printed form to the court for determination. Such also would have been the course for Burt. And such evidence necessarily cumulative and presumably the opinions of experts in the trade, could be of no enlightenment to the court. The decree, though preliminary in name, when reversed was necessarily final, and under the language of the Crescent Live Stock case should be given the full weight of a final order as evidence of probable cause.

The rule laid down in Kentucky is adopted by Newell in his work on malicious prosecution at page 299 as the true rule.

A case directly in point where the order was for a preliminary injunction which was reversed is the following decided by the Supreme Court of Georgia:

"The partnership of Short & Co. was dissolved by the retiring of one of the partners, the other continued the business and undertook to pay all the indebtedness of the old partnership. Spragins & Co., et al., creditors of Short & Co., presented to a Judge of the Judicial Court of Georgia an equitable petition praying for an injunction to restrain the Shorts from disposing or receiving or collecting any of the assets of the old partnership or the new, and further praying that a receiver be appointed to collect the assets and apply them to the payment of the indebtedness of the partnership."

The Judge sanctioned the petition, granted a restraining order and appointed a receiver.

Subsequently at an interlocutory hearing this order was dissolved and at the term to which the

petition was returnable it was finally dismissed on demurrer.

After the equitable petition had been dismissed Short & Co. brought an action against Spragins & Co. for damages alleged to have been sustained by reason of the institution of the equitable petition and the proceedings thereunder. At the trial of this latter action a verdict was rendered in favor of the defendants. The plaintiffs excepted to the order overruling their motion for a new trial and appealed to the Supreme Court of Georgia.

The presiding Judge in the opinion of the Supreme Court said: "The case turns upon the question whether or not Spragins & Co. had probable cause for filing their equitable petition. The record discloses with certainty that this petition contained a fair, honest and correct statement of the facts relied upon by the plaintiffs therein for the relief sought. This being so, we entertain no doubt that the verdict complained of in the case at bar was demanded and that the judgment of the trial court refusing to set it aside should be affirmed. Certainly if Spragins & Co. had probable cause for bringing their equitable petition there could be no lawful recovery against them in the present case. (Citing Crescent City Live Stock Co. against Butchers' Union, 120, U. S. 149).

"It is well settled that where a civil action is brought for an alleged malicious prosecution of a crime a judgment of the lower court convicting the accused of the offense with which he was charged, if not procured by fraud or false testimony on the part of the prosecution, is though afterwards set aside, conclusive evidence that he acted upon probable

cause. (Citing numerous cases). It has also been ruled that a party obtained an injunction in the Circuit Court of the United States for an alleged infringement of a patent he was not liable to action for a malicious prosecution, although the decision of the Circuit Court was afterwards reversed by the Supreme Court of the United States. (Citing Clements vs. Odorless Co., 67 Md., 461.) In delivering the opinion of the court in that case Robbins, J., said that the order granting the injunction was the delivered judgment of the court of competent jurisdiction that there was not only probable cause for filing the bill for injunction, but that the appellee was entitled to the relief prayed. The judgment thus rendered ought to be considered conclusive as to the question of probable cause, although it was reversed on appeal by the Supreme Court, otherwise in every case of reversal an action would lie for the institution of the original suit.

Another case throwing light upon the question in hand is that of Crescent City Live Stock Co. vs. Butchers' Union, wherein the Supreme Court of the United States held that the question of probable cause is a question of law for the determination of the court, (Citing Steward vs. Sonnybone, 98 U. S., 189–194).

Our conclusion, therefore, is that when Spragins & Co. presented their petition to Judge Butt truly stating therein the facts upon which they relied, it became a question of law whether or not they were entitled to an injunction and the appointment of the receiver.

His honor decided this question in their favor and his decision, although it may have been errone-

ous and subsequently reversed, legally negatives their inference that the proceeding was instituted without probable cause and should accordingly be treated as conclusive evidence upon this question."

Short & Co. vs. Spragins & Co., 104 Ga., 628, (1898).

This case is as nearly in point and decisive of the questions involved in the case at bar, as it is possible for a case to be. The Supreme Court of Georgia in that case adopted exactly the view that was taken by Mr. Justice Kenefick in granting the non-suit in this case. They applied to the preliminary injunction the same principle which the Supreme Court applied to an injunction *pendente lite* subsequently made permanent in the Crescent City case.

It is evident that the case was well considered, all of the justices concurred in the opinion of the presiding Judge and no reason can be found why the same rule should not be applied in the case at bar because the conclusion is sound upon principle as well as upon authority.

Also in an action for malicious prosecution the question of what constitutes probable cause is always a question of law for the court to be determined from the facts established in the case, however complicated or numerous may be the facts, and when the facts are disputed the court must group the various facts which the evidence tends to prove, and instruct the jury that if they find such facts to be established there was or was not probable cause, as the case may be. The court in its opinion said: "Without reviewing the cases cited we deem it enough to say that while there is some apparent conflict in the decisions, the prevailing rule is" as stated in the Cres-

cent City Live Stock Co. vs. Butchers' Union, 120 U. S., 141, where the cases are reviewed at considerable length.

Holiday vs. Holiday, 123 Cal., 26-32.

Clearly then the question of probable cause for bringing an action is not to be determined by the final result arising from subsequent developments. The real question is, did plaintiff at the time he brought his action have reasonable grounds as a fair minded man to believe that he was in the right?

The further fact that the plaintiffs upon the trial in this action for malicious prosecution could establish no further fact as evidence of malice than those submitted by them in opposition to the application for an injunction and which were held by Judge Coxe to be insufficient to defeat Smith's right to injunctive relief, would demonstrate that the decree of the Federal Court, even though preliminary, should still be regarded as conclusive.

The above view taken of the law does not set up a bar to all actions for malicious prosecution in which an injunction is issued, as argued by the plaintiffs in this action, for the way is still open to show that fraud or deception was practiced upon the court or that wrong process was issued.

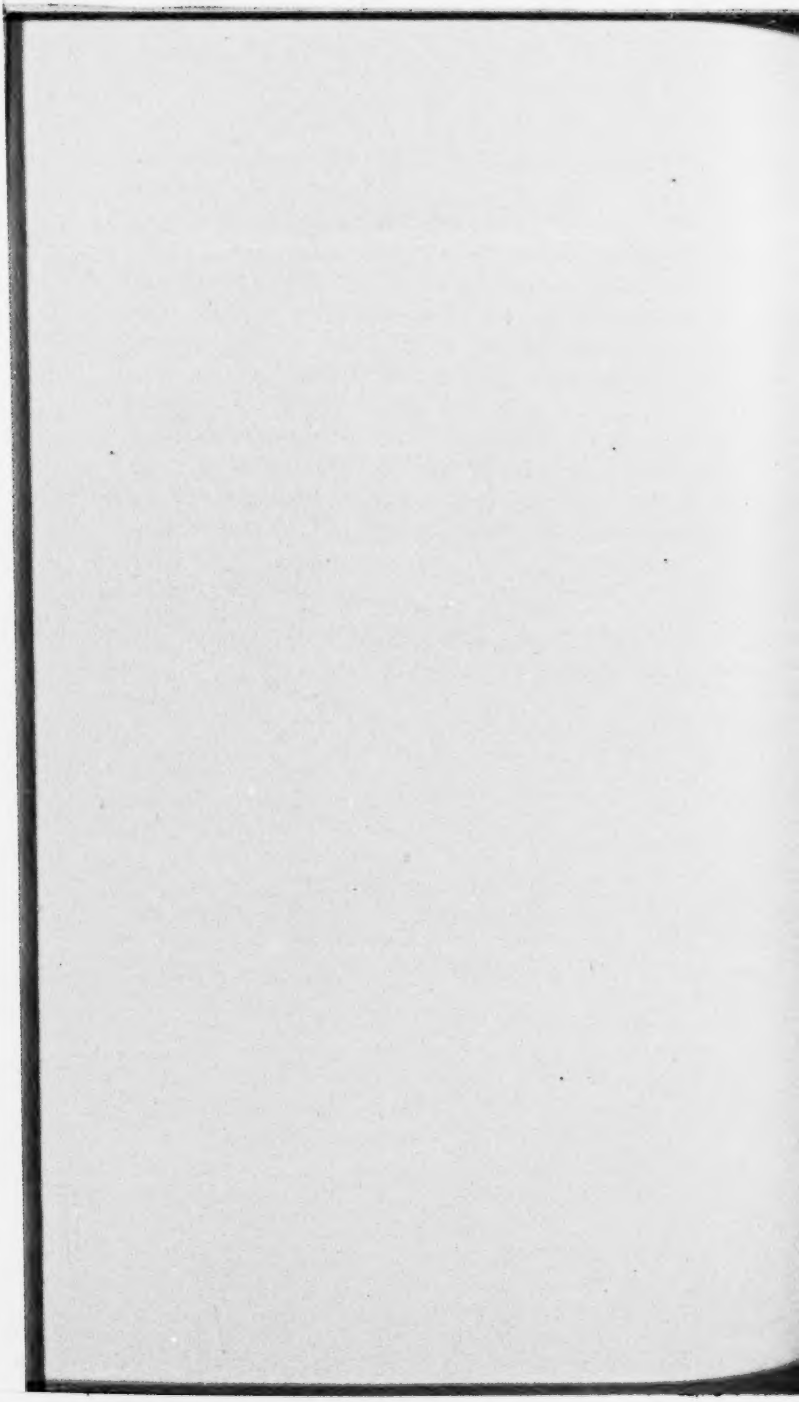
On the other hand, for courts to countenance the bringing of an action for malicious prosecution in every case where an injunction has been issued, and where the plaintiff eventually fails, would be to encourage litigation to an alarming extent, and would also be a distinct bid for wrong-doers to proceed as rapidly as possible in profiting by their acts of piracy; because the risk of obtaining an injunc-

tion would be so great that the injured parties would hesitate before doing so.

Under the State law the courts require security before issuing an injunction, as an additional assurance that the plaintiff is in earnest in his claim; but under the United States law security is not required and it is left to to the court to determine in each particular case whether it will or will not require a bond.

The determination of the court to issue an injunction without requiring a bond demonstrates that the court deems the case on the facts presented a proper one to be brought and one in which it is quite clear that the plaintiff has probable cause for bringing it.

MILTON A. FOWLER,
Attorney for Deft. in Error.



Supreme Court of the United States.

No. 67.—October Term, 1906.

Alfred H. Burt and Joseph J. Sindele, Plaintiffs in Error, vs. William W. Smith. } In Error to the Court of Appeals of the State of New York.

[November 12, 1906.]

Mr. Justice Holmes delivered the opinion of the Court.

This is an action for malicious prosecution brought by the plaintiffs in error, in which the New York Court of Appeals ordered judgment for the defendant in error. 181 N. Y. 1. The suit complained of was a bill brought by the defendant in error in the United States Circuit Court to restrain the infringement of a registered trade mark. A preliminary injunction was granted in that suit. An appeal was taken to the Circuit Court of Appeals, where the injunction was dissolved, and the plaintiff making default at the final hearing, a decree was entered by the Circuit Court, expressed to be upon the merits, and dismissing the bill. The special damage alleged in the present action is the interruption of the plaintiff's business by the injunction while it was in force.

In the case at bar the trial Court ordered a nonsuit on the ground that the granting of the injunction by the Circuit Court established probable cause. The principle of the decision in *Crescent City Live-Stock Landing & Slaughter-House Co.* v. *Butchers' Union Slaughter-House & Live-Stock Landing Co.*, 120 U. S. 141, that a final decree of the Circuit Court has that effect, even if subsequently reversed, was thought to extend to a preliminary decree. See also *Deposit Bank* v. *Frankfort*, 191 U. S. 499, 511. The decision of the trial Court was reversed by the Appellate Division. The defendant then took the case to the Court of Appeals, assenting, as required, that, if the order should be affirmed, judgment absolute should be rendered against him. As we have said, the order was reversed. The ground on which a review is asked here is that the Court of Appeals by its reasoning implies that it finds probable cause in its own opinion that the decree in the former case was wrong, whereas not to assume it to be correct is to fail to give it the faith and credit required by Rev. Sts. § 905.

It is unnecessary to consider whether a Court bound by a previous judgment would not be warranted in saying that if the question had come

before it in the first instance it would have decided the case the other way, and therefore that there was probable cause for a mistake of law into which it would have fallen itself. A mistaken view of the law may constitute probable cause in some instances, as is shown by the case cited above. Probable cause does not mean sufficient cause. But this last proposition shows that the former decree could not have decided the question now before the Court, and therefore that the case is not properly here. The former decree was conclusive on the merits of the suit in which it was rendered, of course, *Lyon* v. *Perin & Goff Manuf. Co.*, 125 U. S. 698, but it only decided that that suit was brought without sufficient cause. It decided nothing as to whether the plaintiff had probable cause for expecting to prevail. If the Court of Appeals had affirmed the judgment of the trial Court for the reason that a preliminary injunction fairly obtained from any Court conclusively established probable cause, or that there was no evidence of a want of it, there would have been nothing to bring here, whether that reason was right or wrong. The only ground on which our jurisdiction is maintained is that the opinion of the Court of Appeals shows that it gave a different and inadmissible reason for the result to which it came.

No doubt an opinion may be resorted to for the purpose of showing that a Court actually dealt with a question presented by the record, or that a right asserted in general terms was maintained and dealt with on Federal grounds. *Missouri, Kansas & Texas Ry. Co.* v. *Elliott*, 184 U. S. 530, 534. *San José Land & Water Co.* v. *San José Ranch Co.*, 189 U. S. 177, 179, 180. *German Savings & Loan Society* v. *Dormitzer*, 192 U. S. 125. But it would be going further than we are prepared to go if we took jurisdiction upon the ground stated in this case. *Howard* v. *Fleming*, 191 U. S. 126, 137. The record discloses no question under the Constitution or laws of the United States until we come to the assignment of errors in this Court. Then it was too late. *Hulbert* v. *Chicago*, 202 U. S. 275, 280. It is true that the complainant alleged the decree, but that was merely to show that the litigation complained of was ended, as was required by the law of New York, *Marks* v. *Townsend*, 97 N. Y. 590, 595, not to suggest a Federal question, which at that moment probably was not dreamed of. Even the opinion of the Court of Appeals, which is not part of the record in New York, does not disclose that there had been presented to it any argument or claim of right based upon the effect due to the previous final decree under the Revised Statutes, or indeed, in a specific way, upon the effect of the decree in any light. Furthermore, notwithstanding a few broad words relied upon by the plaintiff in error, we doubt if the Court of Appeals meant to lay down the proposition which we have said that we would not discuss, or to go further than to decide that the whole evidence

was not sufficient to entitle the plaintiffs to go to the jury in an action for malicious prosecution, as that action is limited in New York.

It is argued that the Court of Appeals exceeded its functions under the Constitution of the State, and in that way denied the plaintiffs due process of law. We see no reason to think so, but with that question we have nothing to do. *French* v. *Taylor*, 199 U. S. 274. *Rawlins* v. *Georgia*, 201 U. S. 638.

Writ dismissed.

True copy.

Test:

Clerk Supreme Court, U. S.